

November 17, 2005

RE: Slate River Resources, LLC
Mustang 1320-15B
Sec. 15, T13S, R20E

Utah Division of Oil, Gas and Mining
1549 West North Temple
Suite 1210
PO BOX 145801
SLC, UT 84114

Dear Sir or Madam,

Slate River Resources respectfully requests an exception location for the subject well.
The well is an exception to Cause Order 207-1.

The well is located at 1,012' FNL & 2,065' FEL.

The location was moved due to topographic considerations, a drainage and access.
Please see the plat maps.

Slate River Resources is not the only lease owner within a 660' radius. The BLM is the off set mineral leaseholder of the West ½ of Section 15, T 13S, R 20E. A waiver request has been filed with the BLM, Vernal Field Office. Please see the attachment.

If you have additional questions please contact me.

Best regards,



Ginger Stringham, Agent
PO BOX 790203
Vernal, UT 84079
435-789-4162

RECEIVED

NOV 21 2005

DIV. OF OIL, GAS & MINING

11/17/2005

Slate River Resources, LLC
418 E Main, Suite 18
Vernal, UT 84078

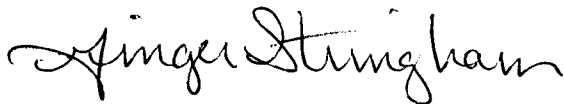
BLM, Vernal Field Office
170 S 500 E
Vernal, UT 84078

Dear Sir or Madam,

Slate River Resources, LLC is proposing to drill the subject well Mustang 1320-15B in Section 15, Township 13 South, Range 20 East. The subject well is located at 1,012' FNL & 2,065' FEL, which is an exception to Cause Order 207-1. The BLM, Vernal Field Office is the off set mineral leaseholder for the West ½ of Section 15, T13S, R20E.

Due to topographic restraints and access to the subject well, Slate River Resources, LLC is requesting an exception location. Please reply with your concurrence in this matter. If you have any additional questions, please feel free to contact me.

Best Regards,

A handwritten signature in black ink that reads "Ginger Stringham". The signature is fluid and cursive, with the first name "Ginger" and last name "Stringham" clearly distinguishable.

Ginger Stringham, Agent
PO BOX 790203
Vernal, UT 84079
435-789-4162

Cc: Utah Division of Oil, Gas and Mining

RECEIVED

NOV 21 2005

DIV. OF OIL, GAS & MINING



November 30, 2005

Ms. Diana Whitney
Utah Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801
Fax 801-359-3940

Re: Supplement to Exception Location
Mustang 1320-15B
T13S-R20E
Sec 15: NW/4NE/4 (1,012' FNL, 2,065' FEL)
Uintah County, Utah
Agency Draw Prospect

Dear Ms. Whitney:

Slate River and our partner Mustang Fuel Corporation propose drilling the captioned well to test the Wasatch and Mesaverde Formations. The well is an exception to Cause 207-1 because of topography and our desire to keep the wells near existing access roads. Slate River and Mustang own the offset leasehold on three sides of the location and do not have an objection to the exception location. The W/2 Sec 15-T13S-R20E is unleased federal minerals, but this land is not subject to Cause 207-1. It is subject to set back rule 649-3-2 therefore we are not preventing a well to be drilled at a legal location in the offset location to the west.

The survey plats and application have been provided to you from Vernal. Please approve the request for a well permit at your convenience.

Sincerely,


Bruce E. Johnston
Vice President Land
BEJ/173

RECEIVED

DEC 02 2005

DIV. OF OIL, GAS & MINING

11/17/2005

Slate River Resources, LLC
418 E Main, Suite 18
Vernal, UT 84078

BLM, Vernal Field Office
170 S 500 E
Vernal, UT 84078

Dear Sir or Madam,

Slate River Resources, LLC is proposing to drill the subject well Mustang 1320-15B in Section 15, Township 13 South, Range 20 East. The subject well is located at 1,012' FNL & 2,065' FEL, which is an exception to Cause Order 207-1. The BLM, Vernal Field Office is the off set mineral leaseholder for the West ½ of Section 15, T13S, R20E.

Due to topographic restraints and access to the subject well, Slate River Resources, LLC is requesting an exception location. Please reply with your concurrence in this matter. If you have any additional questions, please feel free to contact me.

Best Regards,



Ginger Stringham, Agent
PO BOX 790203
Vernal, UT 84079
435-789-4162

Cc: Utah Division of Oil, Gas and Mining

MAR 28 2006

November 17, 2005

RE: Slate River Resources, LLC
Mustang 1320-15B
Sec. 15, T13S, R20E

Utah Division of Oil, Gas and Mining
1549 West North Temple
Suite 1210
PO BOX 145801
SLC, UT 84114

Dear Sir or Madam,

Slate River Resources respectfully requests an exception location for the subject well.
The well is an exception to Cause Order 207-1.

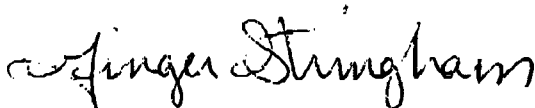
The well is located at 1,012' FNI. & 2,065' FEL.

The location was moved due to topographic considerations, a drainage and access.
Please see the plat maps.

Slate River Resources is not the only lease owner within a 660' radius. The BLM is the
off set mineral leaseholder of the West ½ of Section 15, T 13S, R 20E. A waiver request
has been filed with the BLM, Vernal Field Office. Please see the attachment.

If you have additional questions please contact me.

Best regards,



Ginger Stringham, Agent
PO BOX 790203
Vernal, UT 84079
435-789-4162

MAR 28 2006



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:
3160
UT-08300

March 31, 2006

Ginger Stringham, Agent
P.O. Box 790203
Vernal, Utah 84079

Dear Ms Stringham:

I am in receipt of your letter dated November 17, 2005. You requested our concurrence with an exception to Cause Order 207-1, for the proposed well Mustang 1320-15B of Slate River Resources, LLC.

The proposed well would be located 1,012 feet from North Line and 2,065 feet from East Line of Section 15, Township 13 South, Range 20 East, Salt Lake Meridian. BLM administers the surface and mineral estate of the West ½ of Section 15 which is within 660 feet of the proposed well.

The Vernal Field Office has no concerns and concurs with the exception to Cause Order 207-1, for the proposed location as described above.

Sincerely,

Howard B. Cleavinger II
Assistant Field Manager for Lands and Minerals

cc: Slate River Resources, LLC
418 East Main, Suite 18
Vernal, Utah 84078



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/utah/vernal>

IN REPLY REFER TO:

3160

UT-08300

March 31, 2006

Ginger Stringham, Agent

P.O. Box 790203

Vernal, Utah 84079

Dear Ms Stringham:

I am in receipt of your letter dated November 17, 2005. You requested our concurrence with an exception to Cause Order 207-1, for the proposed well Mustang 1320-15B of Slate River Resources, LLC.

The proposed well would be located 1,012 feet from North Line and 2,065 feet from East Line of Section 15, Township 13 South, Range 20 East, Salt Lake Meridian. BLM administers the surface and mineral estate of the West ½ of Section 15 which is within 660 feet of the proposed well.

The Vernal Field Office has no concerns and concurs with the exception to Cause Order 207-1, for the proposed location as described above.

Sincerely,

Howard B. Cleavinger II

Assistant Field Manager for Lands and Minerals

cc: Slate River Resources, LLC
418 East Main, Suite 18
Vernal, Utah 84078

RECEIVED

APR 04 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: Fee	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Slate River Resources, LLC				9. WELL NAME and NUMBER: Mustang 1320-15B	
3. ADDRESS OF OPERATOR: 418 East Main CITY Vernal STATE UT ZIP 84078			PHONE NUMBER: (435) 781-1871		
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1012' FNL & 2065' FEL 614719X 39.490965 AT PROPOSED PRODUCING ZONE: same as above 4394104Y -109.462118				10. FIELD AND POOL, OR WILDCAT: Undesignated Wildcat	
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 15 13S 20E				12. COUNTY: Uintah	
13. STATE: UTAH				14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 72.5 miles south of Vernal, UT.	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1,012'		16. NUMBER OF ACRES IN LEASE: 320		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 3,000'		19. PROPOSED DEPTH: 8,000		20. BOND DESCRIPTION: B-001556	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6,352' GR		22. APPROXIMATE DATE WORK WILL START: 12/1/2005		23. ESTIMATED DURATION: 30 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4	9 5/8	H-40	32#	2,000	CEMENT "V"	180 SKS	3.82 CF 15.8 PPG
					CEMENT "G"	225 SKS	1.15 CF 15.8 PPG
7 7/8	4 1/2	M-80	11.6#	8,000	PREMIUM CEMENT	140 SKS	3.82 CF 11.0 PPG
					CLASS "G"	580 SKS	1.26 CF 14.15 PPG

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES.	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

CONFIDENTIAL

NAME (PLEASE PRINT) Ginger Stringham TITLE Agent

SIGNATURE *Ginger Stringham* DATE 10/17/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37297

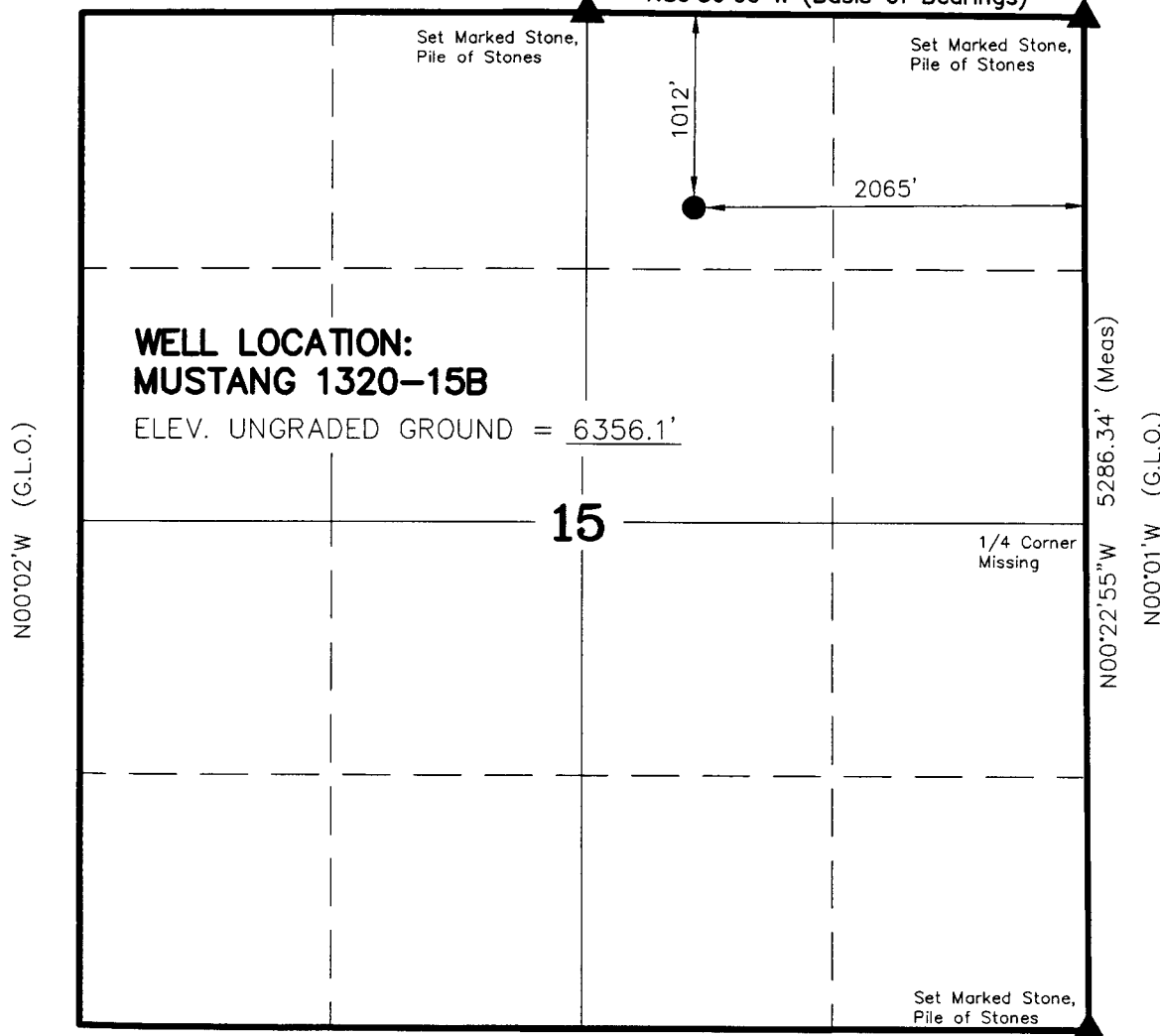
APPROVAL:

RECEIVED
OCT 20 2005
DIV. OF OIL, GAS & MINING

T13S, R20E, S.L.B.&M.

S89°58'W - 79.63 (G.L.O.)

2623.21' (Measured)
N89°36'06"W (Basis of Bearings)



**WELL LOCATION:
MUSTANG 1320-15B**

ELEV. UNGRADED GROUND = 6356.1'

15

1/4 Corner
Missing

Set Marked Stone,
Pile of Stones

S89°58'W 79.66 (G.L.O.)

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 66 WF 1952
LOCATED IN THE NE 1/4 OF SECTION 6, T13S, R21E,
S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS
MARKED ON THE AGENCY DRAW NE 7.5 MIN.
QUADRANGLE AS BEING 5812'.

**MUSTANG 1320-15B
(Proposed Well Head)
NAD 83 Autonomous**

LATITUDE = 39° 41' 27.4"
LONGITUDE = 109° 39' 45.9"

SLATE RIVER RESOURCES, LLC

WELL LOCATION, Mustang 1320-15B,
LOCATED AS SHOWN IN THE NW 1/4
NE 1/4 OF SECTION 15, T13S, R20E,
S.L.B.&M. UTAH COUNTY, UTAH.

NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



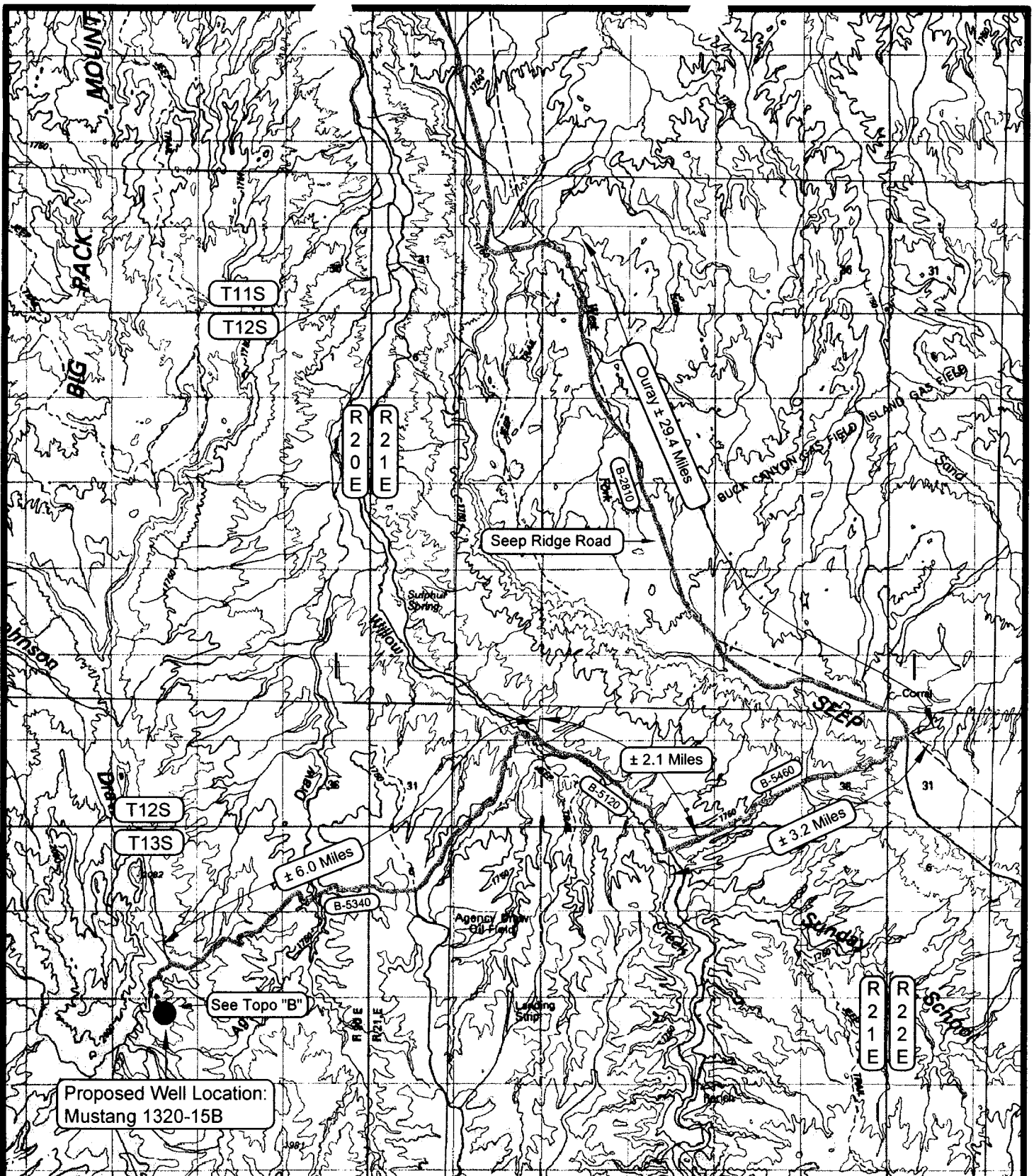
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.

Kolby R. Kay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 362251
STATE OF UTAH

TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

DATE SURVEYED: 9-15-05	SURVEYED BY: K.R.K.	SHEET 2 OF 10
DATE DRAWN: 9-16-05	DRAWN BY: C.B.T.	
SCALE: 1" = 1000'	Date Last Revised:	



LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: M.W.W.

DATE SURVEYED: 9-15-05

DATE DRAWN: 9-16-05

REVISED:

SLATE RIVER RESOURCES, LLC

Mustang 1320-15B

SECTION 15, T13S, R20E, S.L.B.&M.

1012' FNL & 2065' FEL

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
(435) 789-1365

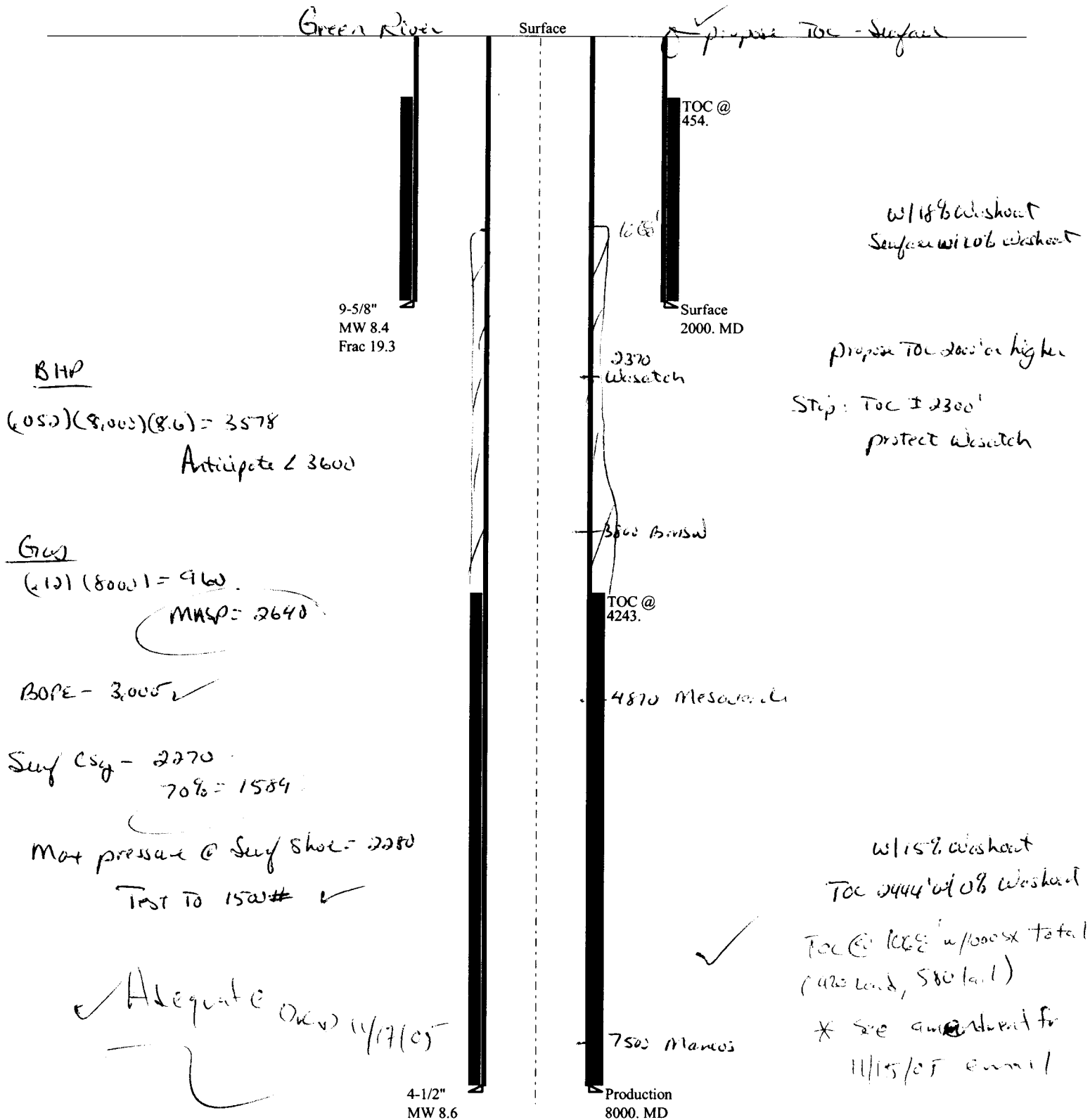
SHEET

7

OF 10

11-05 Slate Mustang 1320-1.5B

Casing Schematic



Well name:

11-05 Slate Mustang 1320-15BOperator: **Slate River Resources, LLC**

String type: Surface

Project ID:

43-047-37297

Location: Uintah County, Utah

Design parameters:**Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 93 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 299 ft

Cement top: 454 ft

Burst

Max anticipated surface pressure:

83 psi

Internal gradient: 0.436 psi/ft

Calculated BHP 956 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Re subsequent strings:

Next setting depth: 8,000 ft

Next mud weight: 8.600 ppg

Next setting BHP: 3,574 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 2,000 ft

Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	32.30	H-40	ST&C	2000	2000	8.876	126.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	956	2270	2.37	65	254	3.93 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: (801) 538-5281
FAX: (801)359-3940Date: November 10,2005
Salt Lake City, Utah**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	11-05 Slate Mustang 1320-15B	
Operator:	Slate River Resources, LLC	
String type:	Production	Project ID: 43-047-37297
Location:	Uintah County, Utah	

Design parameters:
Collapse

Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 177 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 4,243 ft

Burst

Max anticipated surface pressure: 83 psi
Internal gradient: 0.436 psi/ft
Calculated BHP 3,574 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 6,971 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8000	4.5	11.60	M-80	LT&C	8000	8000	3.875	185.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3574	6350	1.777	3574	7780	2.18	93	267	2.88 B

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: (801) 538-5281
FAX: (801)359-3940

Date: November 10,2005
Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

11-05 Slate Mustang 1320- .5B

Casing Schematic

Green River

Surface

Propose TOC Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
454.

TOC @
1308.

Surface
2000. MD

2370 Wasatch

3800 Bmsw

6071 TOC Tail

7500 Mancos

4-1/2"
MW 8.6

Production
8240. MD

w/ 18% Washout
Surface w/ 10% Washout

Propose TOC \pm 2000'

w/ 15% Washout

BHP

$$(1.052)(8240)(8.6) = 3684$$

Anticipate $< 3,000$

Gus

$$(1.12)(8240) = 988$$

MASP = 2696

BOPE - 3,000

Surf csg - 2270

$$708 = 1589$$

Max pressure @ Surf/shoe = 2312

Test To 1500 #

Well name:

11-05 Slate Mustang 1320-15BOperator: **Slate River Resources, LLC**

String type: Surface

Project ID:

43-047-37297

Location: Uintah County, Utah

Design parameters:**Collapse**Mud weight: 8.400 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 299 ft

Cement top: 454 ft

BurstMax anticipated surface
pressure: 86 psi
Internal gradient: 0.436 psi/ft
Calculated BHP 958 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)Tension is based on air weight.
Neutral point: 1,753 ft

Non-directional string.

Re subsequent strings:Next setting depth: 8,240 ft
Next mud weight: 8.600 ppg
Next setting BHP: 3,681 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	32.30	H-40	ST&C	2000	2000	8.876	126.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	958	2270	2.37	65	254	3.93 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: (801) 538-5281
FAX: (801)359-3940Date: January 13,2006
Salt Lake City, Utah**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	11-05 Slate Mustang 1320-15B	
Operator:	Slate River Resources, LLC	
String type:	Surface	Project ID: 43-047-37297
Location:	Uintah County, Utah	

Design parameters:
Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 299 ft

Cement top: 454 ft

Burst

Max anticipated surface pressure: 83 psi
Internal gradient: 0.436 psi/ft
Calculated BHP 956 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on air weight.
Neutral point: 1,753 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 8,000 ft
Next mud weight: 8.600 ppg
Next setting BHP: 3,574 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	9.625	32.30	H-40	ST&C	2000	2000	8.876	126.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.570	956	2270	2.37	65	254	3.93 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: (801) 538-5281
FAX: (801)359-3940

Date: November 10, 2005
Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

11-05 Slate Mustang 1320-15BOperator: **Slate River Resources, LLC**

String type: Production

Project ID:

43-047-37297

Location: Uintah County, Utah

Design parameters:**Collapse**Mud weight: 8.600 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 180 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft**Burst:**

Design factor 1.00

Cement top: 1,308 ft

BurstMax anticipated surface
pressure: 86 psi
Internal gradient: 0.436 psi/ft
Calculated BHP 3,681 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 7,181 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	8240	4.5	11.60	M-80	LT&C	8240	8240	3.875	191
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3681	6350	1.725	3681	7780	2.11	96	267	2.79 B

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: (801) 538-5281
FAX: (801)359-3940Date: January 13,2006
Salt Lake City, Utah**ENGINEERING STIPULATIONS -**

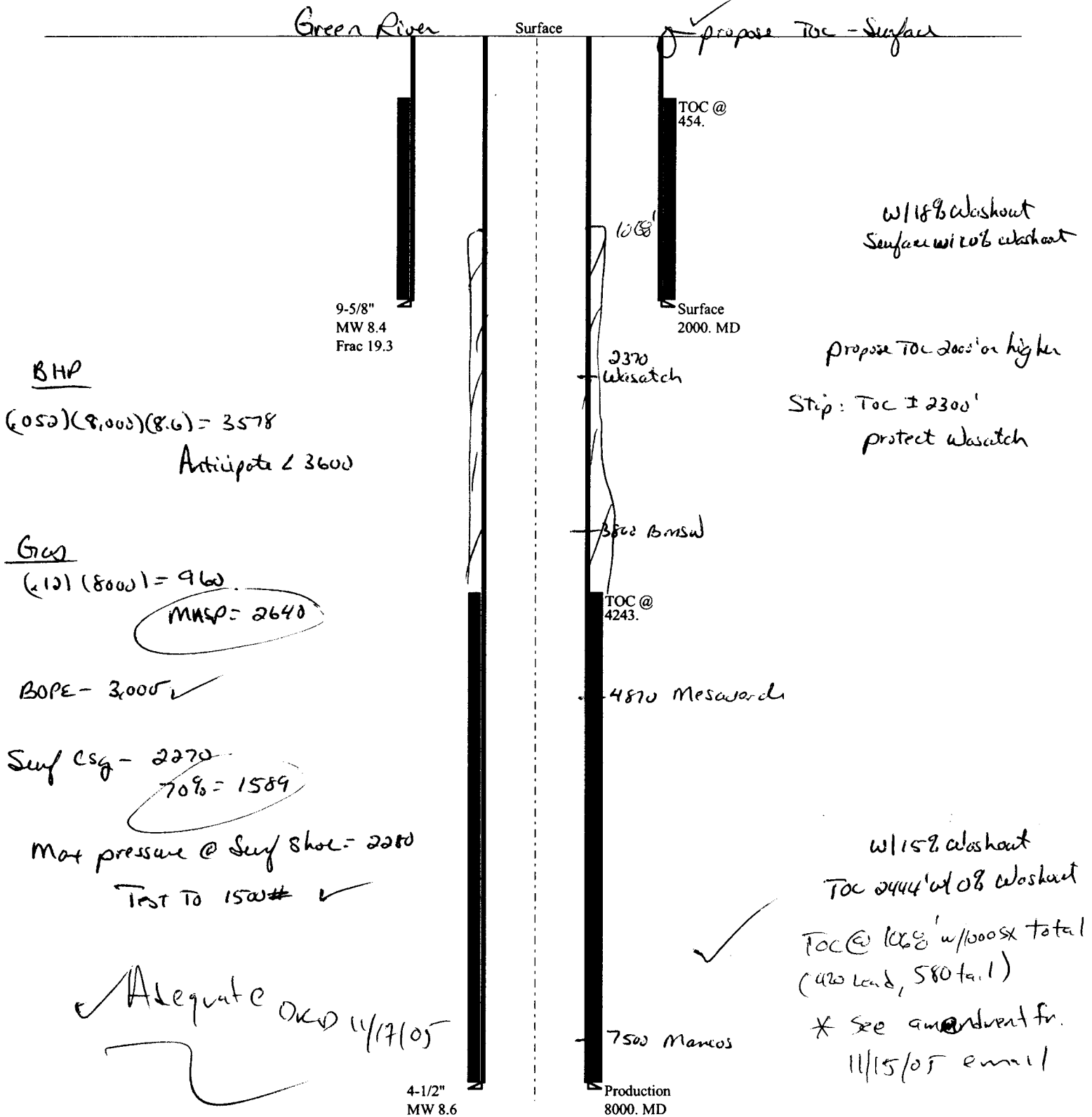
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

11-05 Slate Mustang 1320-JB

Casing Schematic



Well name:

11-05 Slate Mustang 1320-15BOperator: **Slate River Resources, LLC**String type: **Production**

Project ID:

43-047-37297

Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 8.600 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 177 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 4,243 ft

BurstMax anticipated surface
pressure: 83 psi
Internal gradient: 0.436 psi/ft
Calculated BHP 3,574 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 6,971 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8000	4.5	11.60	M-80	LT&C	8000	8000	3.875	185.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3574	6350	1.777	3574	7780	2.18	93	267	2.88 B

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: (801) 538-5281
FAX: (801)359-3940Date: November 10,2005
Salt Lake City, Utah**ENGINEERING STIPULATIONS -**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 10/20/2005

API NO. ASSIGNED: 43-047-37297

WELL NAME: MUSTANG 1320-15B

OPERATOR: SLATE RIVER RESOURCES (N2725)

CONTACT: GINGER STRINGHAM

PHONE NUMBER: 435-781-1871

PROPOSED LOCATION:

NWNE 15 130S 200E

SURFACE: 1012 FNL 2065 FEL

BOTTOM: 1012 FNL 2065 FEL

UINTAH

WILDCAT (1)

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: MNCS

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	OKD	11/17/05
Geology		
Surface		

LATITUDE: 39.69097

LONGITUDE: -109.6621

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. B001556)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. T75377)
☒ RDCC Review (Y/N)
(Date: 11/08/2005)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.
Unit _____
☐ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ ~~R649-3-3~~. Exception
☒ Drilling Unit
Board Cause No: 207-1
Eff Date: 8-25-83
Siting: See Cause Order
☐ R649-3-11. Directional Drill

COMMENTS:

Needs Pressure (11-02-05)

STIPULATIONS:

1- STATEMENT OF BASIS
2- Surface Crystalline Strip

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Slate River Resources, LLC
WELL NAME & NUMBER: Mustang 1320-15B
API NUMBER: 43-047-37297
LOCATION: 1/4, 1/4 NW/NE Sec: 15 TWP: 13S RNG: 20 E; 1012' FNL 2065' FEL

Geology/Ground Water:

Slate River proposes to set 2,000' of surface casing at this location. The base of the moderately saline water is at approximately 3,800 feet in this area. This location lies on the Green River Formation. The proposed location is in a recharge area for the aquifers of the Green River Formation and fresh water can be expected to be found in the Green River. A search of Division of Water Rights records indicates 1 water well within a 10,000 foot radius of the proposed location. This well is over a mile from the proposed location. This well is owned by Utah Oil Shales was drilled to a depth of 70 feet and listed as used for stock watering. The proposed casing and cement program should adequately protect any useable ground water.

Reviewer: Brad Hill **Date:** 11-09-2005

Surface:

At the request of Slate River Resources, a pre-site for this well was completed on 11/2/2005. Both the surface and minerals are privately owned. Mr. David Salter represents the owner, Mustang-Eagle Minerals. He was contacted by phone on 10-26-2005 and informed of and invited to participate in the presite. He said the company has no specific concerns and he would not attend.

The area poses no problems for drilling a well.

Reviewer: Floyd Bartlett **Date:** 11/4/2005

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils with a felt sub-liner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Slate River Resources, LLC
WELL NAME & NUMBER: Mustang 1320-15B
API NUMBER: 43-047-37297
LEASE: FEE **FIELD/UNIT:** Undesignated
LOCATION: 1/4,1/4 NW/NE Sec:15TWP: 13S RNG: 20 E; 1012' FNL 2065' FEL
LEGAL WELL SITING: Well should be located in NW/4 or SE/4 and 660' from quarter boundary.
GPS COORD (UTM): 4394104 Y 0614719 X **SURFACE OWNER:** Mustang-Eagle Oil

PARTICIPANTS

Floyd Bartlett (DOGM), John Conley, (Vice President Slate River LLC,) Ginger Stringham, (Permit Consultant), Travis Oldham (Diamond J Construction), Colby Kay (Timberline Land Surveying), Ben Williams (Utah Division of Wildlife Resources)

REGIONAL/SETTING TOPOGRAPHY

Site is in Uintah County, Utah in the Agency Draw area approximately 72miles south east of Vernal, UT. The Willow Creek drainage lies to the east and Hill Creek drainage is to the west. The general topography is characterized by open broad to narrow ridges or plateaus intersected by numerous draws or canyons, which often become steep. Drainage is generally northeasterly into Willow Creek, which contains a perennial stream. All drainages in the Agency Draw area are ephemeral.

Access to the site from Ouray, UT is following the Seep Ridge Road south 29.4 miles from Ouray, UT, then south west 3.2 miles down the Uintah Co. road B-5460 to Willow Cr, then northwest 2.1 miles along Willow Cr and Uintah Co. road B-5120 to the Agency Draw road then following the roads in the Agency Draw area to near the site. (See Topographic Sheets "A and B" of the APD) Approximately 1,720 feet of new road will be constructed to access the site.

This location is on a narrow east west running ridge. Proposed access road crosses several small draws to reach the site. The site slopes gradually to the north, ending in a dense pinion-juniper stand. Minor drainages are located both to the north and south. No drainage problems exist.

SURFACE USE PLAN

CURRENT SURFACE USE: Winter sheep grazing, limited big game hunting and general recreation.

PROPOSED SURFACE DISTURBANCE: Location of 340'x 175' and a reserve pit of 80' x 160' with an additional 10' wide bench. Approximately 1,720 feet of new access road will be constructed. A pipeline 6,080 feet in length will be laid adjacent to the road to a tie in point.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See Topographic Map "C".

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow access road.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be obtained from the site.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST CONCERNS? (EXPLAIN). No public concerns or interests are expected from drilling this well.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Vegetated with a Desert shrub type consisting of black sage, shadscale, curly mesquite, broom snakeweed, pinion, juniper. Wild horses, deer, elk, mountain lion, coyote and other small mammals and birds.

SOIL TYPE AND CHARACTERISTICS: Deep gravely, sandy clay loam. Little surface rock.

EROSION/SEDIMENTATION/STABILITY: Very little natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: 80' x 160' x 10' deep, located on the southeast corner of the location. , The reserve pit is all within cut. A 15' wide bench is planned around the outer edges. Two feet of freeboard is provided.

LINER REQUIREMENTS (Site Ranking Form attached): Level II sensitivity. A pit liner with a sub liner is required for the reserve pit. The operator stated they would line the pit with a 20,mil liner and an appropriate sub-liner.

SURFACE RESTORATION/RECLAMATION PLAN

As per Land Owner Agreement.

SURFACE AGREEMENT:

A surface agreement has been executed and is on file.

ARCULTURAL RESOURCES/ARCHAEOLOGY: No Cultural or Archeological survey is required as per the Land Owner Agreement.

OTHER OBSERVATIONS/COMMENTS

None.

ATTACHMENTS

Photos of this site were taken and placed on file.

FLOYD BARTLETT
DOGM REPRESENTATIVE

November 2, 2005; 2:45 PM

DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	<u>0</u>
< 100	20	
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 15 (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.



State Online Services

Agency List

Business.utah.gov

Search Utah.gov

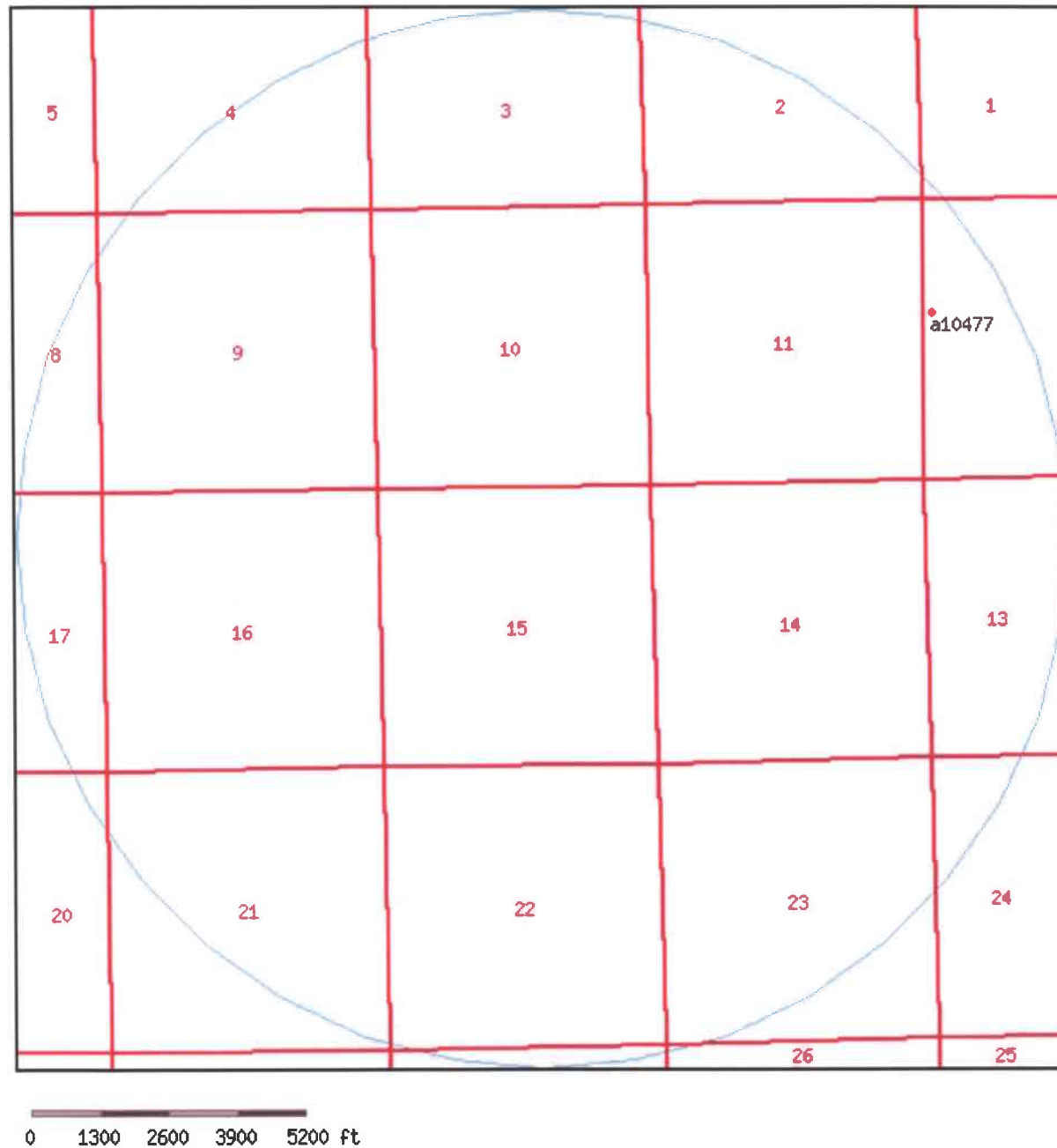
GO

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 11/09/2005 02:58 PM

Radius search of 10000 feet from a point S1012 W2065 from the NE corner, section 15, Township 13S, Range 20E, SL b&m
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all




Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>49-285</u>	Underground S2125 E170 NW 12 13S 20E SL		A	19701203	S	0.015	0.000	UTAH OIL SHALES INC. C/O RAYMOND T. SENIOR, PRESIDENT
<u>a10477</u>	Underground S2125 E170 NW 12 13S 20E SL		A	19781106	S	0.015	0.000	UTAH OIL SHALES INC. 622 NEWHOUSE BLDG. (10 EXCHANGE PLACE)

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or November 7, 2005
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Slate River Resources, LLC proposes to drill the Mustang 1320-15B well (wildcat) on a Fee lease , Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 1012' FNL 2065' FEL, NW/4 NE/4, Section 15, Township 13 South, Range 20 East, Uintah County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments	
10. For further information, contact: Diana Whitney Phone: (801) 538-5312	11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: October 24, 2005

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO. Fee	6. SURFACE Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME	
2. NAME OF OPERATOR: Slate River Resources, LLC				9. WELL NAME and NUMBER: Mustang 1320-15B	
3. ADDRESS OF OPERATOR: 418 East Main Vernal UT 84078			PHONE NUMBER: (435) 781-1871	10. FIELD AND POOL, OR WILDCAT: Undesignated <i>Winded</i>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE 1012' FNL & 2065' FEL <i>614719 X 39.690965</i> <i>4394104 Y -109.662118</i> AT PROPOSED PRODUCING ZONE: same as above				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 15 13S 20E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 72.5 miles south of Vernal, UT.				12. COUNTY Uintah	13. STATE UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1,012'		16. NUMBER OF ACRES IN LEASE 320		17. NUMBER OF ACRES ASSIGNED TO THIS WELL 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 3,000'		19. PROPOSED DEPTH: <i>8240</i>		20. BOND DESCRIPTION: B-001556	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6,352' GR		22. APPROXIMATE DATE WORK WILL START: 12/1/2005		23. ESTIMATED DURATION: 30 Days	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4	9 5/8	H-40	32#	2,000	CEMENT "V"	180 SKS	3.82 CF 15.8 PPG
					CEMENT "G"	225 SKS	1.15 CF 15.8 PPG
7 7/8	4 1/2	M-80	11.6#	8,000	PREMIUM CEMENT	140 SKS	3.82 CF 11.0 PPG
					CLASS "G"	580 SKS	1.26 CF 14.15 PPG

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Ginger Stringham TITLE Agent

SIGNATURE *Ginger Stringham* DATE 10/17/2005

(This space for State use only)

API NUMBER ASSIGNED 43-047-37237

Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL
Date: 04-06-06
[Signature]

[Signature]

RECEIVED
JAN 31 2006

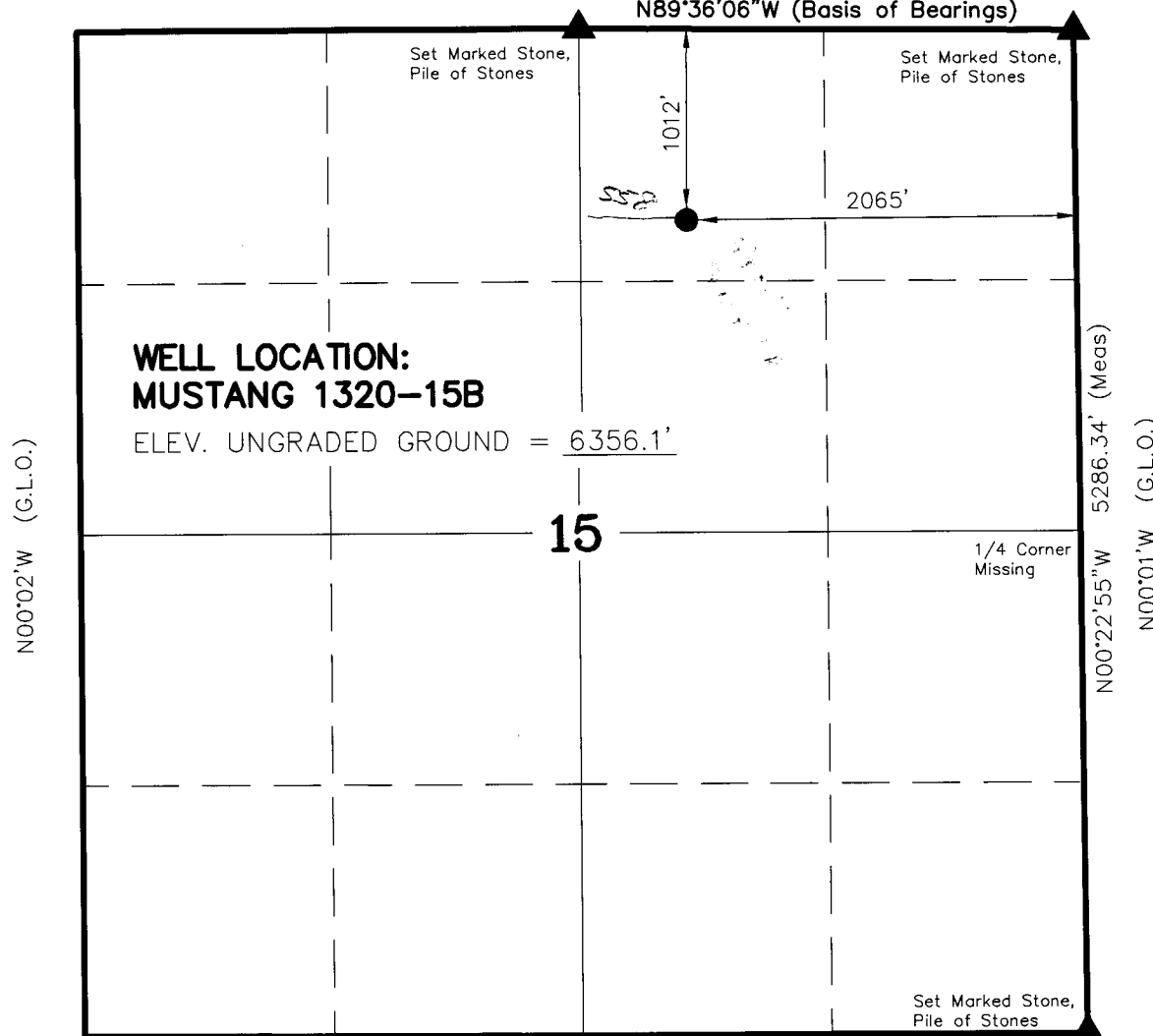
T13S, R20E, S.L.B.&M.

S89°58'W - 79.63 (G.L.O.)

2623.21' (Measured)
N89°36'06"W (Basis of Bearings)

SLATE RIVER RESOURCES, LLC

WELL LOCATION, Mustang 1320-15B,
LOCATED AS SHOWN IN THE NW 1/4
NE 1/4 OF SECTION 15, T13S, R20E,
S.L.B.&M. UINTAH COUNTY, UTAH.



NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
KOLBY R. KAY
No. 362251
STATE OF UTAH

S89°58'W 79.66 (G.L.O.)

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 66 WF 1952
LOCATED IN THE NE 1/4 OF SECTION 6, T13S, R21E,
S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS
MARKED ON THE AGENCY DRAW NE 7.5 MIN.
QUADRANGLE AS BEING 5812'.

MUSTANG 1320-15B
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 39° 41' 27.4"
LONGITUDE = 109° 39' 45.9"

TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

DATE SURVEYED: 9-15-05	SURVEYED BY: K.R.K.	SHEET 2 OF 10
DATE DRAWN: 9-16-05	DRAWN BY: C.B.T.	
SCALE: 1" = 1000'	Date Last Revised:	

Clinton Dworshak - Slate River APD Cement Detail

From: "JTConley" <jconley@sl8river.com>
To: <clintondworshak@utah.gov>
Date: 11/15/2005 8:56 AM
Subject: Slate River APD Cement Detail
CC: "Ginger Stringham" <gs_paradigm@yahoo.com>

Clint;
Slate River's cementing practice and program intends to bring the lead cement to surface in each and every well.

Actual cement volumes are based on the openhole caliper and cement volume log. Typical cement jobs for the production casing run between 1000 and 1200 sx's total of the lead plus tail.

Please note this change for the APDs submitted as shown in the well listing below, and include our intent to bring the cement to surface.

Well	Spot	S-T-R
Mustang #1220-35I	NESE	35-12S-20E
Mustang #1320-10I	NESE	10-13S-20E
Mustang #1320- 3O	SWSE	3-13S-20E
Mustang #1320-11H	SENE	11-13S-20E
Mustang #1320-13D	NWNW	13-13S-20E
Mustang #1320-14P	SESE	14-13S-20E
Mustang #1320-24E	SWNW	24-13S-20E
Mustang #1320-14D	NWNW	14-13S-20E
UOA #1321- 7P	SESE	7-13S-21E
UOS #1321-17A	NENE	17-13S-21E
UOS #1321- 4M	SWSW	4-13S-21E
Mustang #1320-15B	NWNE	15-13S-20E

Please contact me if you have questions.

thanx,

J.T. Conley
Slate River Resources
418 East Main, Suite 18
Vernal, UT 84078
435-781-1870

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Fee Leases, see attached

LEASE NUMBER: Fee, no numbers assigned

and hereby designates

NAME: Ginger Stringham, Paradigm Consulting Inc.

ADDRESS: PO Box 790203

city Vernal state UT zip 84078

as his (check one) agent ☒ / operator ☐, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)

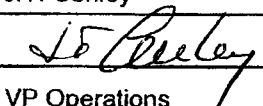
Fee leases, see attached

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 03/01/2005

BY: (Name) J.T. Conley
(Signature) 
(Title) VP Operations
(Phone) (435) 781-1871

OF: (Company) Slate River Resources, LLC
(Address) 418 East Main
city Vernal
state UT zip 84078

UT10001.000

Eagle Minerals Ltd. Oil and Gas Lease

Dated February 1, 2005

Recorded Book 914, Page 535 Uintah County, Utah

DESCRIPTION OF LEASED PREMISES:

TOWNSHIP 12 SOUTH, RANGE 20 EAST, S.L.M.

Section 21:	All (640.00 acres)	Serial Number: 10:079:0001
Section 22:	All (640.00 acres)	Serial Number: 10:080:0001
Section 23:	All (640.00 acres)	Serial Number: 10:081:0001
Section 24:	W/2 (320.00 acres)	Serial Number: 10:082:0001
Section 25:	W/2 (320.00 acres)	Serial Number: 10:083:0001
Section 26:	All (640.00 acres)	Serial Number: 10:084:0001
Section 27:	All (640.00 acres)	Serial Number: 10:085:0001
Section 28:	All (640.00 acres)	Serial Number: 10:086:0001
Section 29:	All (640.00 acres)	Serial Number: 10:087:0001
Section 35:	All (640.00 acres)	Serial Number: 10:089:0001

TOWNSHIP 12 SOUTH, RANGE 21 EAST, S.L.M.

Section 31:	Lots 3, 4, E/2SW/4 (SW/4) (149.66 acres)	Serial Number: 10:093:0002
-------------	--	----------------------------

TOWNSHIP 13 SOUTH, RANGE 20 EAST, S.L.M.

Section 1:	Lots 1,2,3,4, S/2N/2, S/2 (All) (640.24 acres)	Serial Number: 11:004:0001
Section 3:	Lots 1,2,3,4, S/2N/2, S/2 (All) (641.80 acres)	Serial Number: 11:005:0001
Section 4:	Lots 1,2,3,4, S/2N/2, S/2 (All) (642.00 acres)	Serial Number: 11:006:0001
Section 5:	Lots 1,2,3,4, S/2N/2, S/2 (All) (641.40 acres)	Serial Number: 11:007:0001
Section 6:	Lots 1,2,3,8,10,11,13, S/2 NE/4, SE/4NW/4, E/2SW/4, SE/4 (585.52 acres)	Serial Number: 11:008:0001
Section 7:	Lots 2,3,4,5, E/2W/2, E/2 (All) (636.15 acres)	Serial Number: 11:009:0001
Section 8:	All (640 acres)	Serial Number: 11:010:0001
Section 9:	All (640 acres)	Serial Number: 11:011:0001
Section 10:	All (640 acres)	Serial Number: 11:012:0001
Section 11:	All (640 acres)	Serial Number: 11:013:0001
Section 12:	All (640 acres)	Serial Number: 11:014:0001
Section 13:	All (640 acres)	Serial Number: 11:015:0001
Section 14:	All (640 acres)	Serial Number: 11:016:0001
Section 15:	E/2 (320 acres)	Serial Number: 11:017:0001
Section 22:	E/2 (320 acres)	Serial Number: 11:018:0001
Section 23:	All (640 acres)	Serial Number: 11:019:0001
Section 24:	All (640 acres)	Serial Number: 11:020:0001
Section 25:	All (640 acres)	Serial Number: 11:021:0001
Section 26:	All (640 acres)	Serial Number: 11:022:0001
Section 27:	NE/4 (160 acres)	Serial Number: 11:023:0001

TOWNSHIP 13 SOUTH, RANGE 21 EAST, S.L.M.

Section 6:	Lots 3,4,5,6,7, SE/4NW/4, E/2SW/4 (W/2) (299.60 acres)	Serial Number: 11:026:0002
Section 7:	Lots 1,2,3,4, E/2W/2 (W/2) (300.28 acres)	Serial Number: 11:027:0002
Section 18:	Lots 1,2,3,4, E/2W/2 (W/2) (301.64 acres)	Serial Number: 11:033:0001
Section 19:	Lots 1,2,3,4, E/2W/2 (W/2) (303.44 acres)	Serial Number: 11:034:0001
Section 30:	Lots 1,2,3,4, E/2W/2 (W/2) (304.80 acres)	Serial Number: 11:038:0001
Section 31:	Lots 1,2, E/2NW/4 (NW/4) (153.27 acres)	Serial Number: 11:039:0001

UINTAH COUNTY, UTAH
containing a total of 19,199.80 acres, more or less

UT10002.000

Uintah Oil Association Oil & Gas Lease

Dated September 15, 2004

Recorded Book 904, Page 1 Uintah County, Utah

Description of Leased Premises

Township 12 South, Range 21 East

Sec 31: SE/4

Sec 32: S/2

Township 13 South, Range 21 East

Sec 5: Lots 2,3,4, S/2NW/4, SW/4NE/4, SW/4, W/2SE/4

Sec 6: Lots 1,2, S/2NE/4, SE/4

Sec 7: E/2

Sec 8: W/2, W/2NE/4, NW/4SE/4

Uintah County, Utah

2,038.96 acres

UT10003.000

Utah Oil Shales, Inc. Oil & Gas Lease

Dated September 15, 2004

Recorded Book 904, Page 9 Uintah County, Utah

Description of Leased Premises

Township 13 South, Range 21 East

Sec 4: Lots 1,2,3,4, S/2N/2, S/2

Sec 5: Lot 1, SE/4NE/4, E/2SE/4

Sec 8: E/2E/2, SW/4SE/4

Sec 9: All

Sec 16: W/2

Sec 17: E/2

Uintah County, Utah

2,278.69 acres

AFFIDAVIT OF SURFACE OWNER USE AGREEMENT

Slate River Resources, LLC has in place, agreements with the surface owners of the following leases. Slate River Resources, LLC is the operator and makes this certification that the agreements provide for management of the Fee surface lands under development.

Eagle Minerals Ltd. Oil and Gas Lease

Uintah Oil Association Oil & Gas Lease

Utah Oil Shales, Inc. Oil & Gas Lease



J.T. Conley
VP Operations
Slate River Resources, LLC
418 East Main
Vernal, UT 84078
435-781-1871

Ten Point Plan

Slate River Resources, LLC

Mustang 1320-15B

Section 15, Township 13 South, Range 20 East, NW¼ NE¼

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

Formation	Depth	Datum
Green River	Surface	6,352' G.R.
Wasatch	2370'	3,982'
Mesaverde	4870'	1,482'
Castlegate	6850'	-498'
Mancos	7500'	-1,148'
TD	8240'	-1,388'

A 12 ¼ hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information (Wells within a one-mile radius)

Drilling/Permitted:

Mustang 1320-10I

Mustang 1320-14D

RECEIVED

JAN 31 2006

DIV. OF OIL, GAS & MINING

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 ¼	9 5/8	32#	H-40	ST&C	2000	NEW
7 7/8	4 ½	11.6#	M-80	LT&C	T.D.	NEW

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	9 5/8	Cement "V" Gel 16% BWOC Gilsonite 10#/sk Salt 3% BWOC GR-3 3#/sk Flocele ¼#/sk	180 sks +/-	3.82 ft³/sk	15.8 ppg
Tail:	9 5/8	Cement "G" Calcium Chloride 2% BWOC Flocele ¼ #/sk 0.1% R-3 2% Bentonite	225 sks. +/-	1.15 ft³/sk	15.8 ppg
Top Out:	9 5/8	Cement "G" Calcium Chloride 3%BWOC Flocele ¼ #/sk	100 sks +/-	1.15 ft³/sk	15.8 ppg

Production casing will be cemented to 2,000' or higher as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	4 1/2	Premium Cement 100% Gel 16% BWOC Salt 3% BWOC Gilsonite 10#/sk Flocele 1/4 #/sk GR-3 3#/sk	140 sks +/-	3.82ft ³ /sk	11.0 ppg
Tail:	4 1/2	Class "G" 50% POZ 50% Gel 2% BWOC Salt 10%BWOC Dispersant .2% BWOC Fluid loss .3% Flocele 1/4 #/sk	580 sks +/-	1.26ft ³ /sk	14.15 ppg

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3600 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-2000	Air/Mist	-----	No Control	Air/Air mist
2000-T.D.	8.4-12.0	30	8-10	Water/Gel

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 25' from 2000' to T.D.
- d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

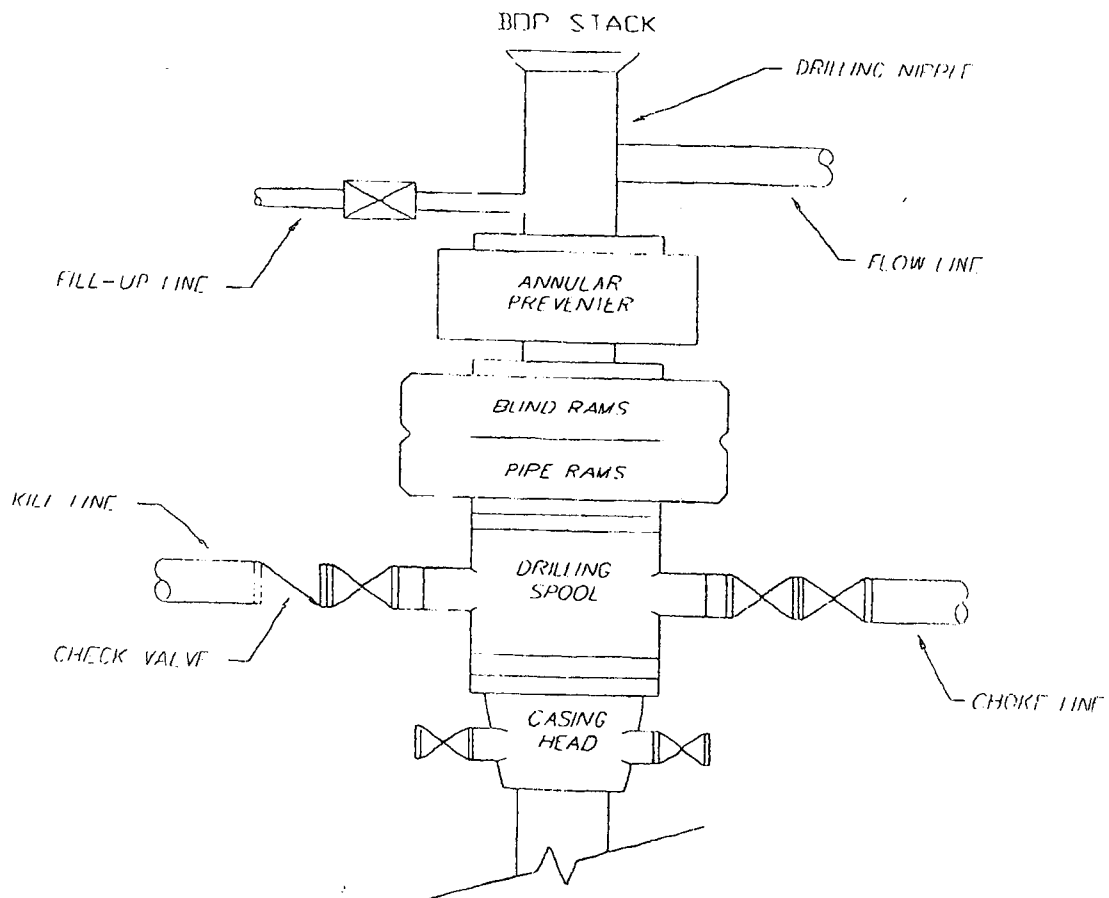
9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

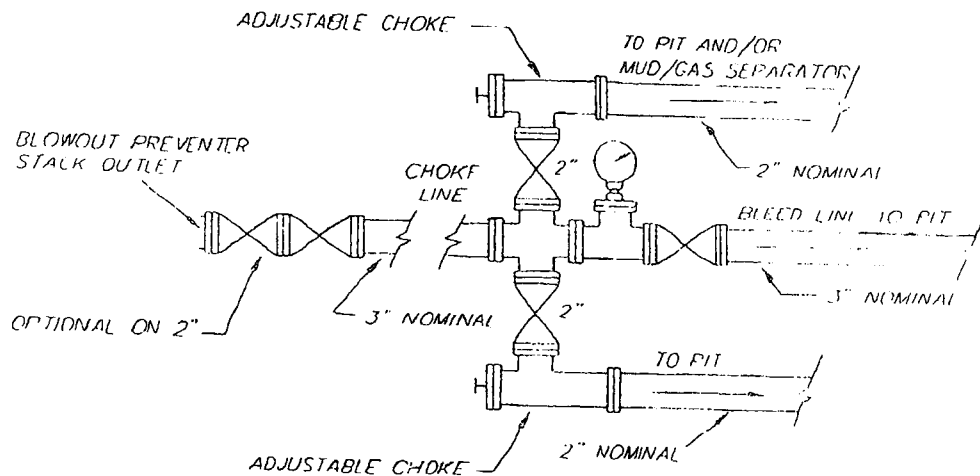
10. Drilling Schedule:

The anticipated starting date is December 1, 2005. Duration of operations is expected to be 30 days.

TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.
CHOKE MANIFOLD SCHEMATIC



SLATE RIVER RESOURCES, LLC

13 POINT SURFACE USE PLAN

FOR WELL

MUSTANG 1320-15B

LOCATED IN NW ¼ NE ¼

SECTION 15, T.13S, R20E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: FEE

SURFACE OWNERSHIP: FEE

1. Existing Roads:

SLATE RIVER RESOURCES, LLC
Mustang 1320-15B
Section 15, T13S, R20E, S.L.B.&M.
1012' FNL & 2065' FEL

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 88 APPROXIMATELY 17 MILES TO OURAY, UTAH; FROM OURAY, PROCEED IN A SOUTHERLY DIRECTION ALONG THE SEEP RIDGE ROAD (COUNTY B ROAD 2810) APPROXIMATELY 29.4 MILES TO ITS INTERSECTION WITH THE BUCK CANYON ROAD (COUNTY B ROAD 5460); EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG THE BUCK CANYON ROAD APPROXIMATELY 3.2 MILES TO WILLOW CREEK; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION ALONG THE WILLOW CREEK ROAD (COUNTY B ROAD 5120) APPROXIMATELY 2.1 MILES TO ITS INTERSECTION WITH THE AGENCY DRAW ROAD (COUNTY B ROAD 5340); EXIT LEFT AND PROCEED IN A WESTERLY THEN SOUTHERLY DIRECTION ALONG THE AGENCY DRAW ROAD APPROXIMATELY 6.0 MILES TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 72.6 MILES.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 0.2 miles of existing road to be improved, 745' +/- of proposed road re-route, 0.2 miles +/- of existing road to be improved and 1,720' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

A) Approximate length	1720 ft
B) Right-of-Way width	30 ft
C) Running surface	18 ft
D) Surface material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road Flagged	Yes
K) Access road surface ownership	Fee
L) All new construction on lease	Yes
M) Pipe line crossing	No

Please see the attached location plat for additional details.

An off lease Right-of-Way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

A) Producing well	None
B) Water well	None
C) Abandoned well	None
D) Temp. abandoned well	None
E) Disposal well	None
F) Drilling /Permitted well	
Mustang 1320-101	
Mustang 1320-14D	
G) Shut in wells	None
H) Injection well	None
I) Monitoring or observation well	None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Carlsbad Canyon or Olive Green** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the

battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 6,080' +/- of 3" steel surface pipeline would be constructed on Private Lands. The line would tie into the proposed pipeline in Section 10, T13S, R21E. The line will be strung and boomed to the west and north of the location and will follow access roads. The line will be buried at road crossing.

An off lease Right-of-Way will not be required.

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will

be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from Willow Creek Permit # - T75377.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **10 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details. The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 120 days after initial production. During the 120-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

A) Pad length	340 ft
B) Pad width	270 ft
C) Pit depth	10 ft
D) Pit length	160 ft
E) Pit width	80 ft
F) Max cut	12.5 ft
G) Max fill	11.7 ft
H) Total cut yds.	9,610 cu yds
I) Pit location	South end
J) Top soil location	East and West ends
K) Access road location	West end
L) Flare Pit	corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,490** cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored

to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 120 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

To be determined by surface owner or will reflect the native vegetation.

11. Surface ownership:

Access road	Fee
Location	Fee
Pipe line	Fee

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, Bitter Brush, and Indian Rice grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface owner.

D) Water:

The nearest water is Willow Creek located approximately 6 miles to the East.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion
Prior to moving on the drilling rig.
- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit out side the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative(s)

JT Conley
Slate River Resources, LLC
418 East Main ST
Vernal, UT 84078

Office 435-781-1871
Fax 435-781-1875

Ginger P Stringham, Agent
Paradigm Consulting, INC
PO BOX 790203
Vernal, UT 84079

Office 435-789-4162
Cell 435-790-4163

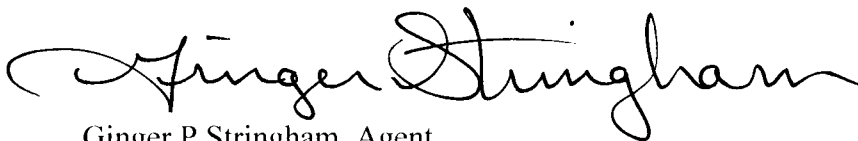
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by Slate River Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 10-17-05

A handwritten signature in black ink, reading "Ginger Stringham". The signature is fluid and cursive, with a large initial "G" and a long, sweeping underline.

Ginger P Stringham, Agent
Paradigm Consulting, INC

Onsite Dates:

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals Subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

Ginger Stringham
Agent for Slate River Resources, LLC
Paradigm Consulting, INC
PO BOX 790203
Vernal, UT 84079

435-790-4163 Office
435-789-0255 Fax

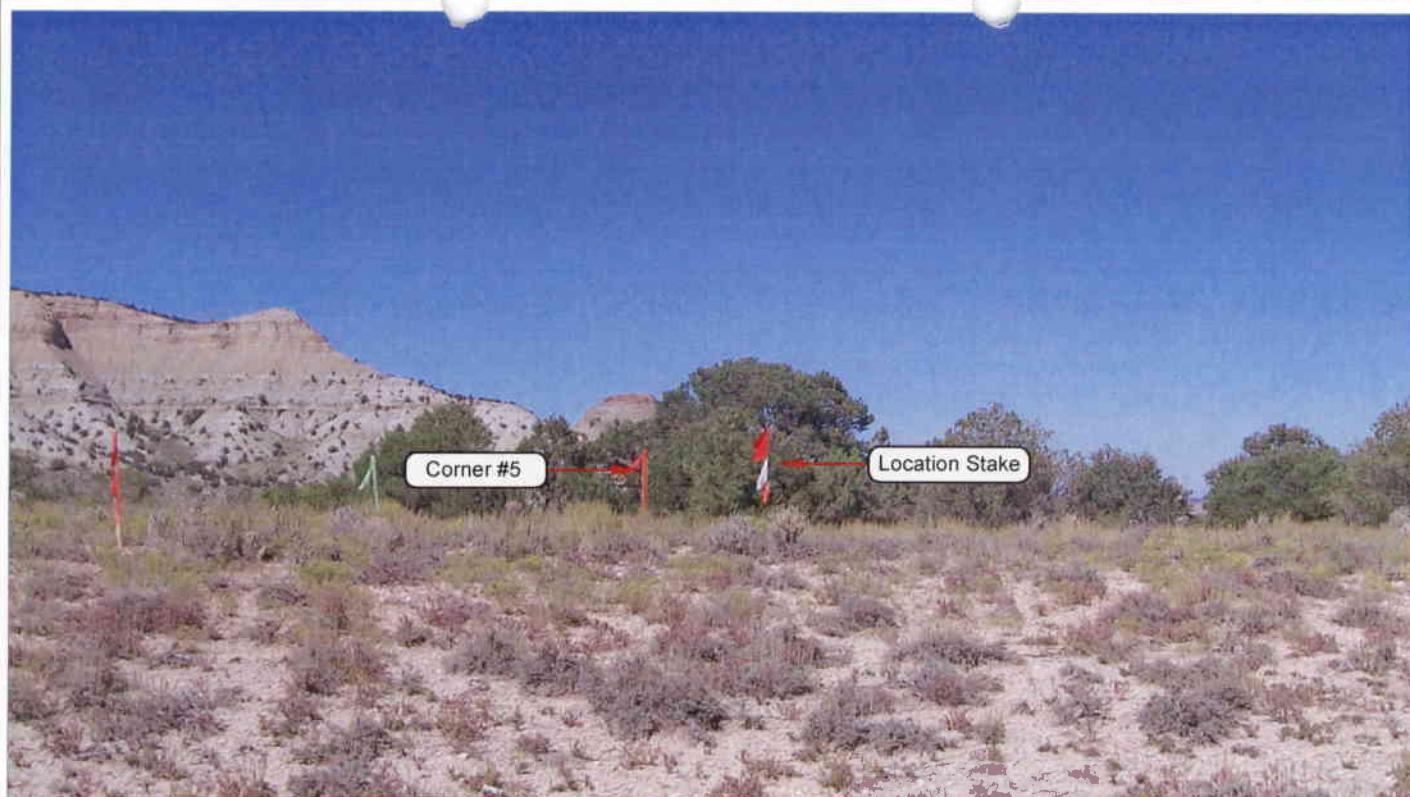


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

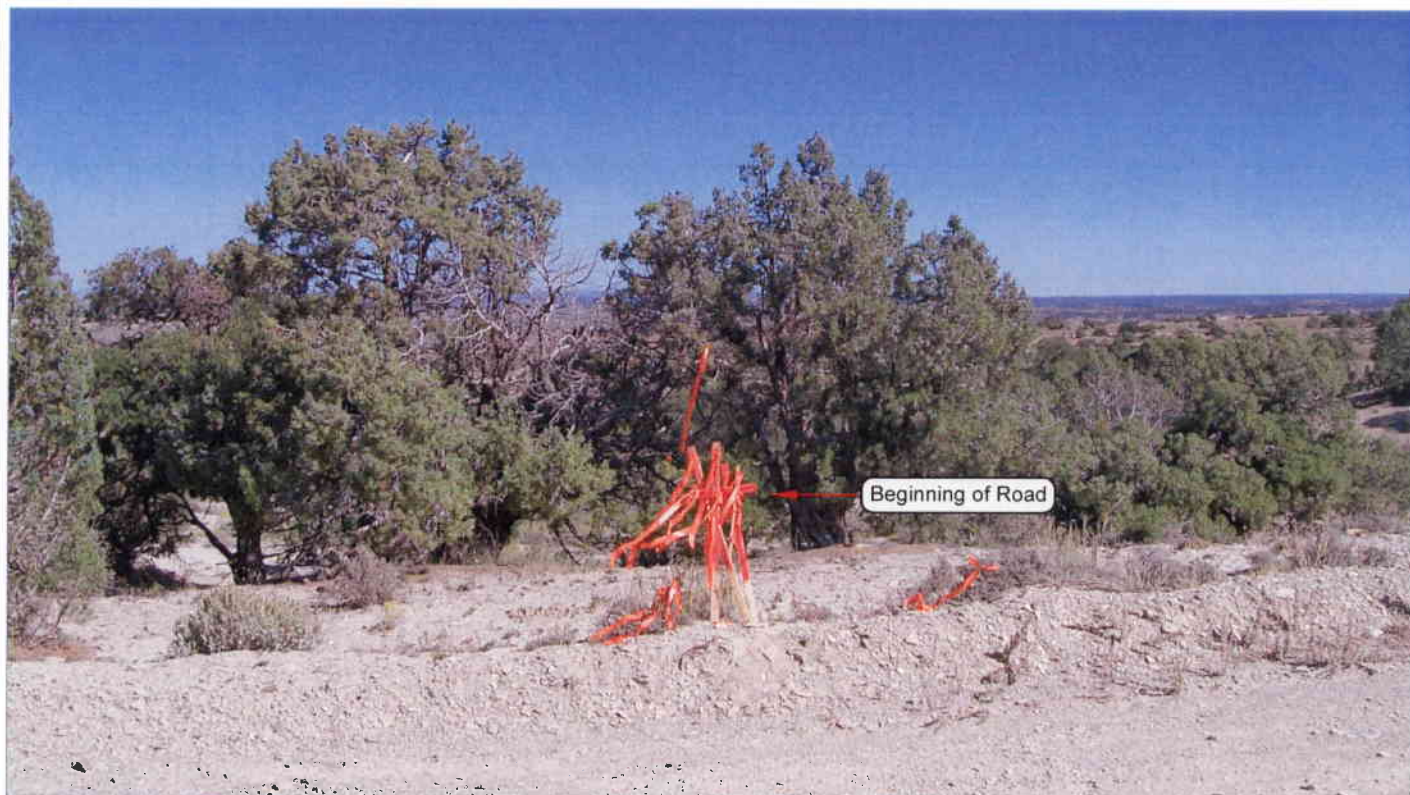


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHEASTERLY

SLATE RIVER RESOURCES, LLC

Mustang 1320-15B
SECTION 15, T13S, R20E, S.L.B.&M.
1012' FNL & 2065' FEL

LOCATION PHOTOS

TAKEN BY: K.K.

DRAWN BY: M.W.W.

DATE TAKEN: 09-15-05

DATE DRAWN: 09-16-05

REVISED:

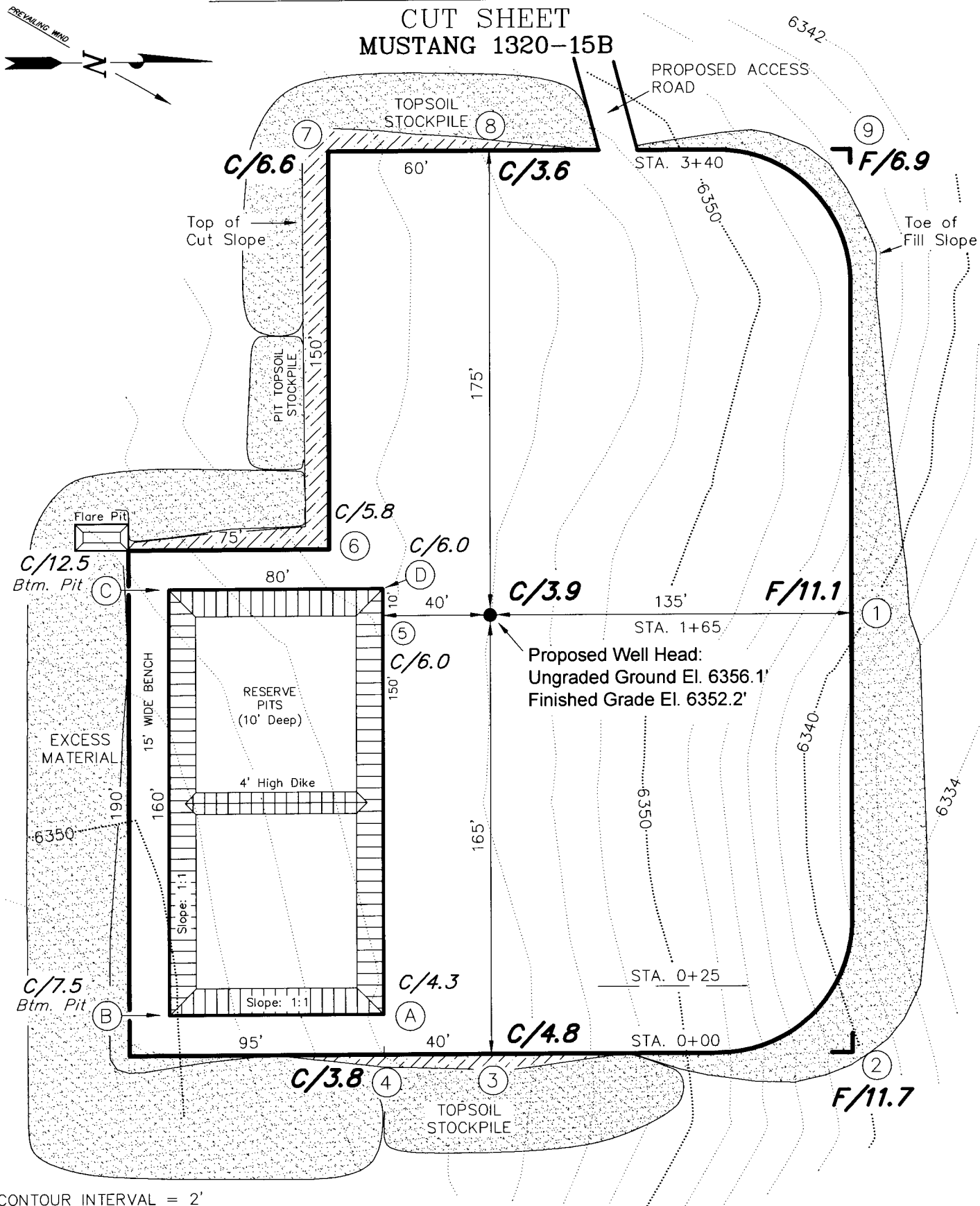
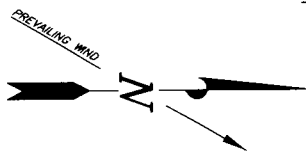
Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
1
OF 10

SLATE RIVER RESOURCES, LLC

CUT SHEET MUSTANG 1320-15B

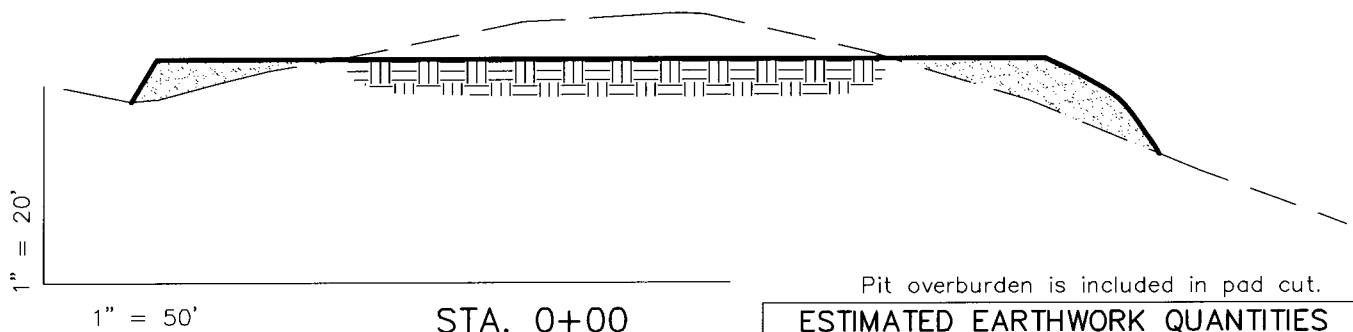
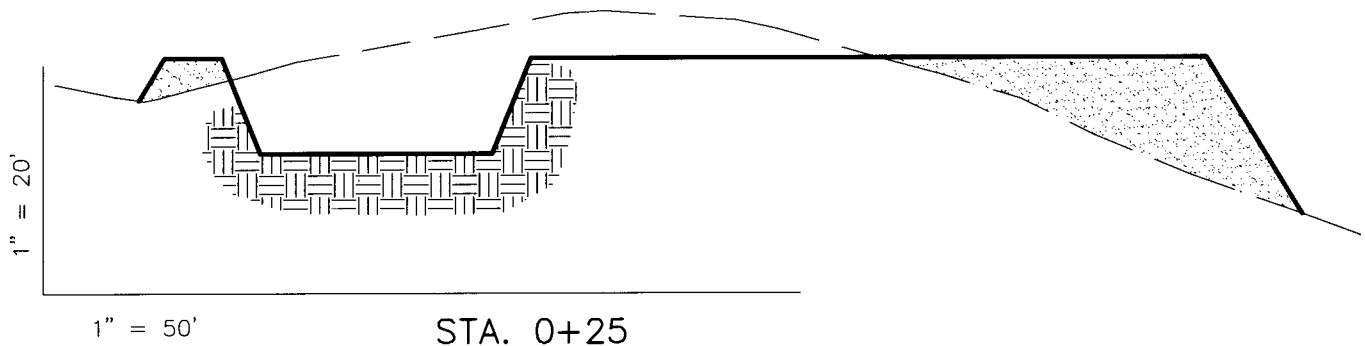
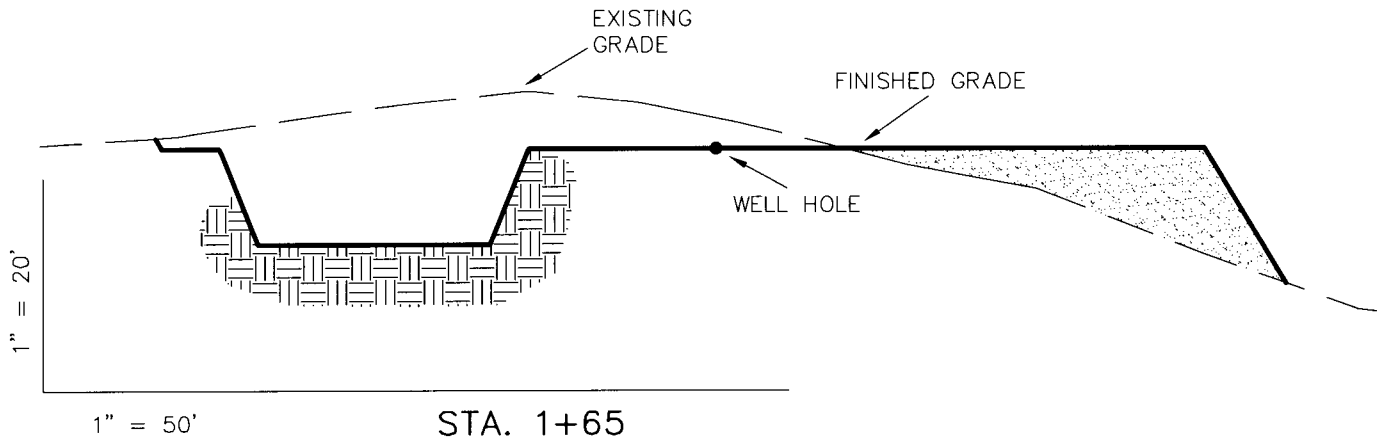
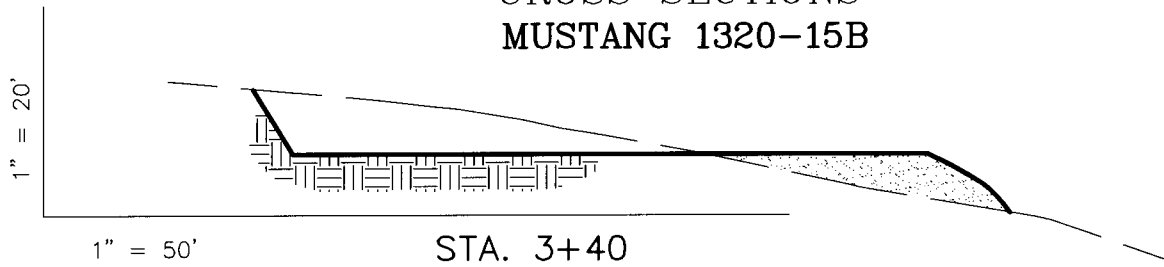


CONTOUR INTERVAL = 2'

Section 15, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: NW NE	Footage Location: 1012' FNL 2065' FEL
Date Surveyed: 9-15-05	Date Drawn: 9-20-05	Date Last Revision:	Timberline Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078 (435) 789-1365
Surveyed By: K.R.K.	Drawn By: C.B.T.	Scale: 1" = 50'	
			SHEET 3 OF 10

SLATE RIVER RESOURCES, LLC

CROSS SECTIONS MUSTANG 1320-15B



REFERENCE POINTS

175' Northerly 6335.4'
235' Northerly 6329.4'
215' Easterly 6356.9'
265' Easterly 6354.9'

NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)

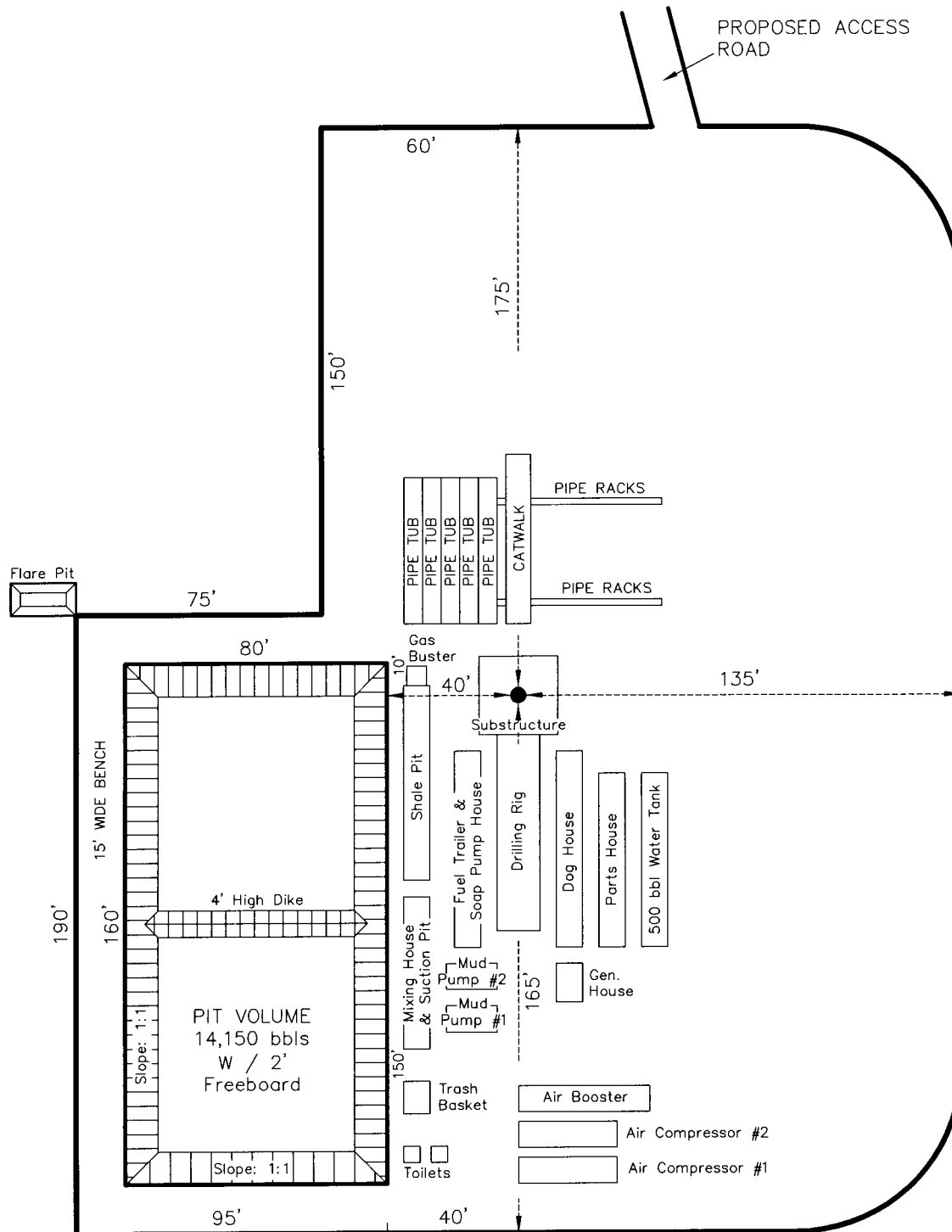
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	5,760	7,680	Topsoil is not included in Pad Cut	-1,920
PIT	3,850	0		3,850
TOTALS	9,610	7,680	1,490	1,930

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

Section 15, T13S, R20E, S.L.B.&M.	Qtr/Qtr Location: NW NE	Footage Location: 1012' FNL 2065' FEL
Date Surveyed: 9-15-05	Date Drawn: 9-20-05	Date Last Revision:
Surveyed By: K.R.K.	Drawn By: C.B.T.	Scale: 1" = 50'
Timberline Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078 (435) 789-1365		
SHEET 4 OF 10		

SLATE RIVER RESOURCES, LLC

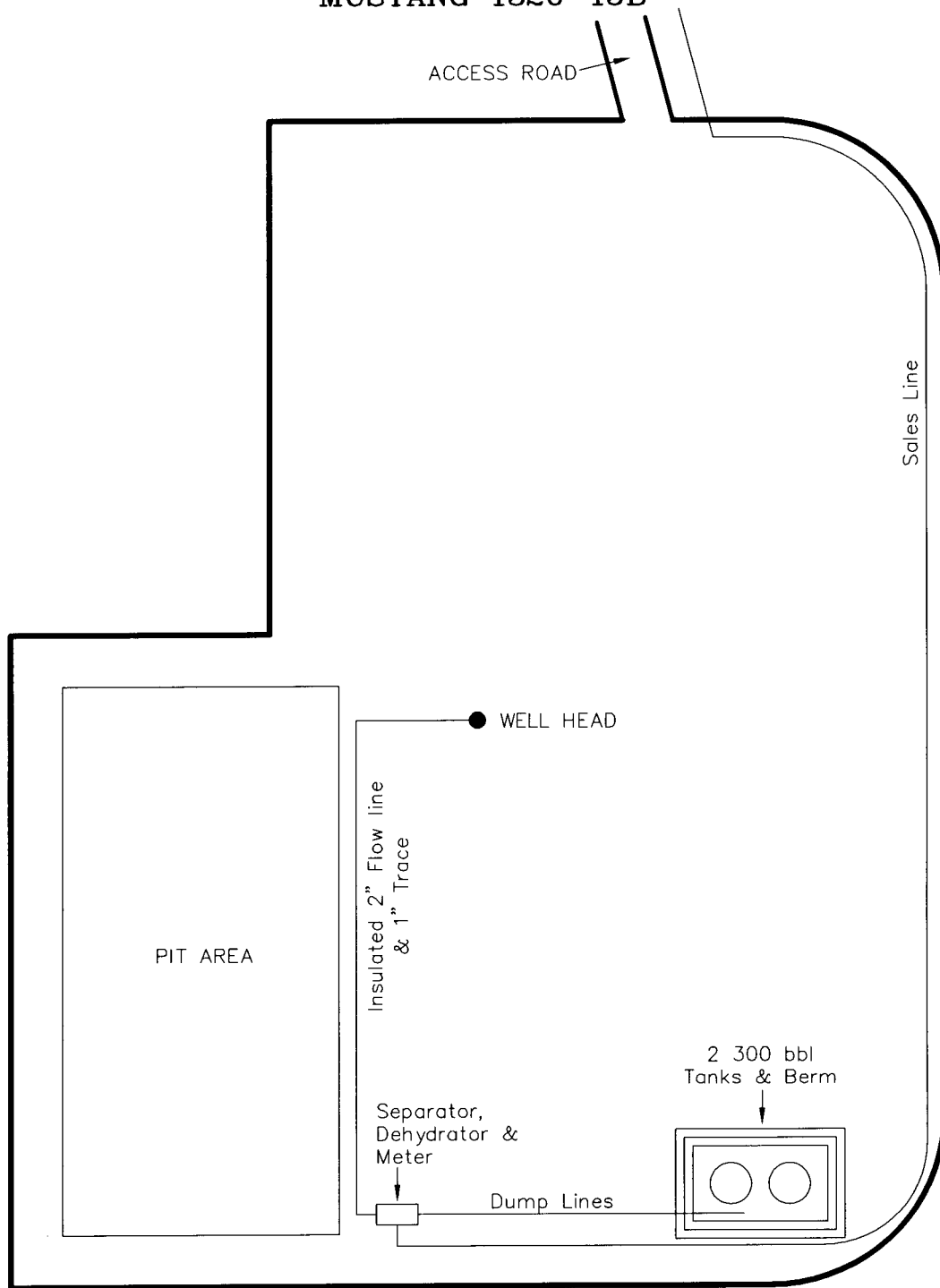
TYPICAL RIG LAYOUT MUSTANG 1320-15B



Section 15, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: NW NE		Footage Location: 1012' FNL 2065' FEL	
Date Surveyed: 9-15-05	Date Drawn: 9-20-05	Date Last Revision:	<div>Timberline<i>Land Surveying, Inc.</i></div> <div>(435) 789-1365</div> <div>38 WEST 100 NORTH VERNAL, UTAH 84078</div>		
Surveyed By: K.R.K.	Drawn By: C.B.T.	Scale: 1" = 50'			
			SHEET 5 OF 10		

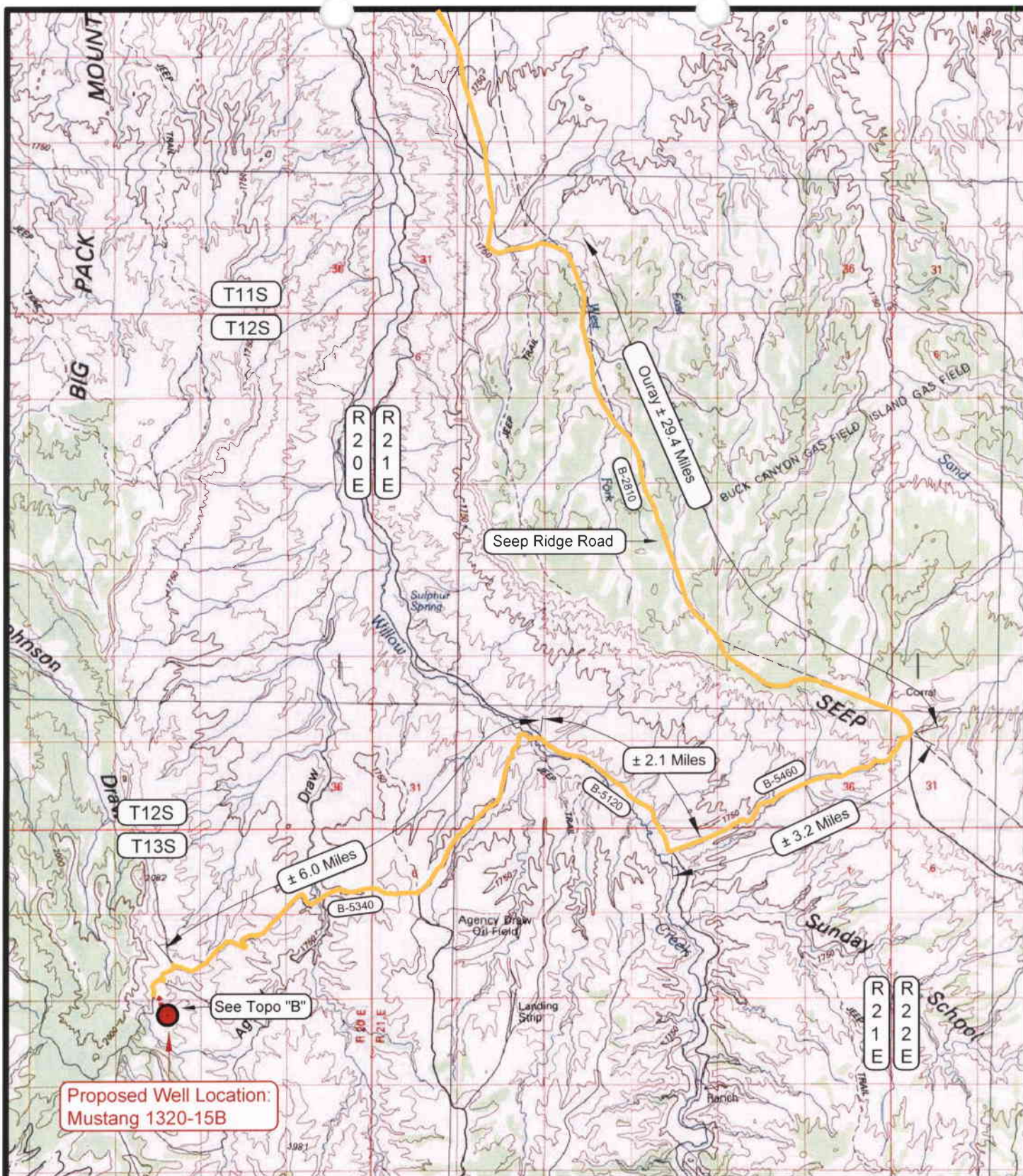
SLATE RIVER RESOURCES, LLC

TYPICAL PRODUCTION LAYOUT MUSTANG 1320-15B



Section 15, T13S, R20E, S.L.B.&M.		Qtr/Qtr Location: NW NE	Footage Location: 1012' FNL 2065' FEL
Date Surveyed: 9-15-05	Date Drawn: 9-20-05	Date Last Revision:	<i>Timberline</i> (435) 789-1365 <i>Land Surveying, Inc.</i>
Surveyed By: K.R.K.	Drawn By: C.B.T.	Scale: 1" = 50'	SHEET 6 OF 10

38 WEST 100 NORTH VERNAL, UTAH 84078



LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:100,000

DRAWN BY: M.W.W.

DATE SURVEYED: 9-15-05

DATE DRAWN: 9-16-05

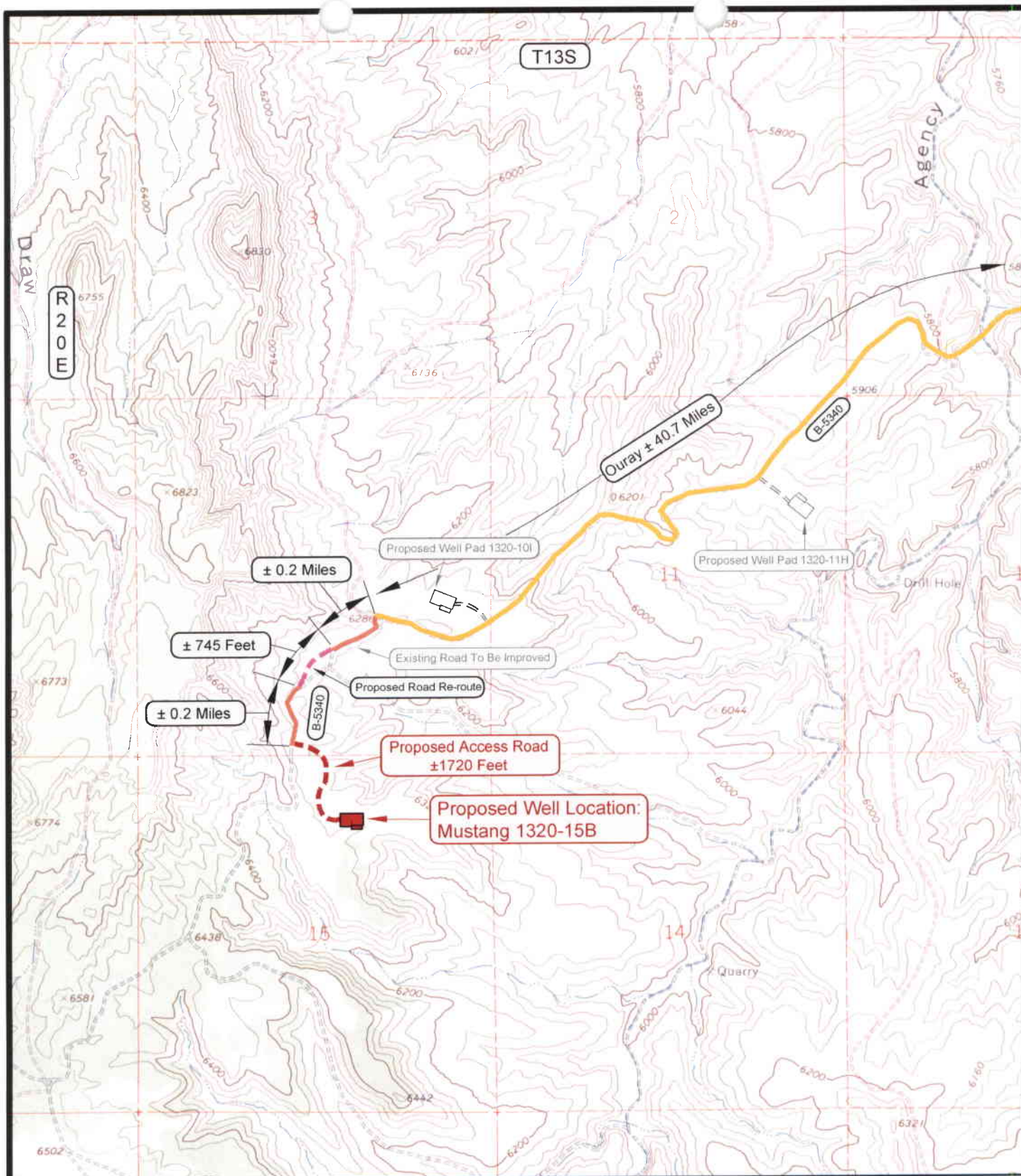
REVISED:

SLATE RIVER RESOURCES, LLC

Mustang 1320-15B
SECTION 15, T13S, R20E, S.L.B.&M.
1012' FNL & 2065' FEL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
7
OF 10



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = SHARED ACCESS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- B-5460 = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 09-15-05

DATE DRAWN: 09-16-05

REVISED:

SLATE RIVER RESOURCES, LLC

Mustang 1320-15B
SECTION 15, T13S, R20E, S.L.B.&M.
1012' FNL & 2065' FEL

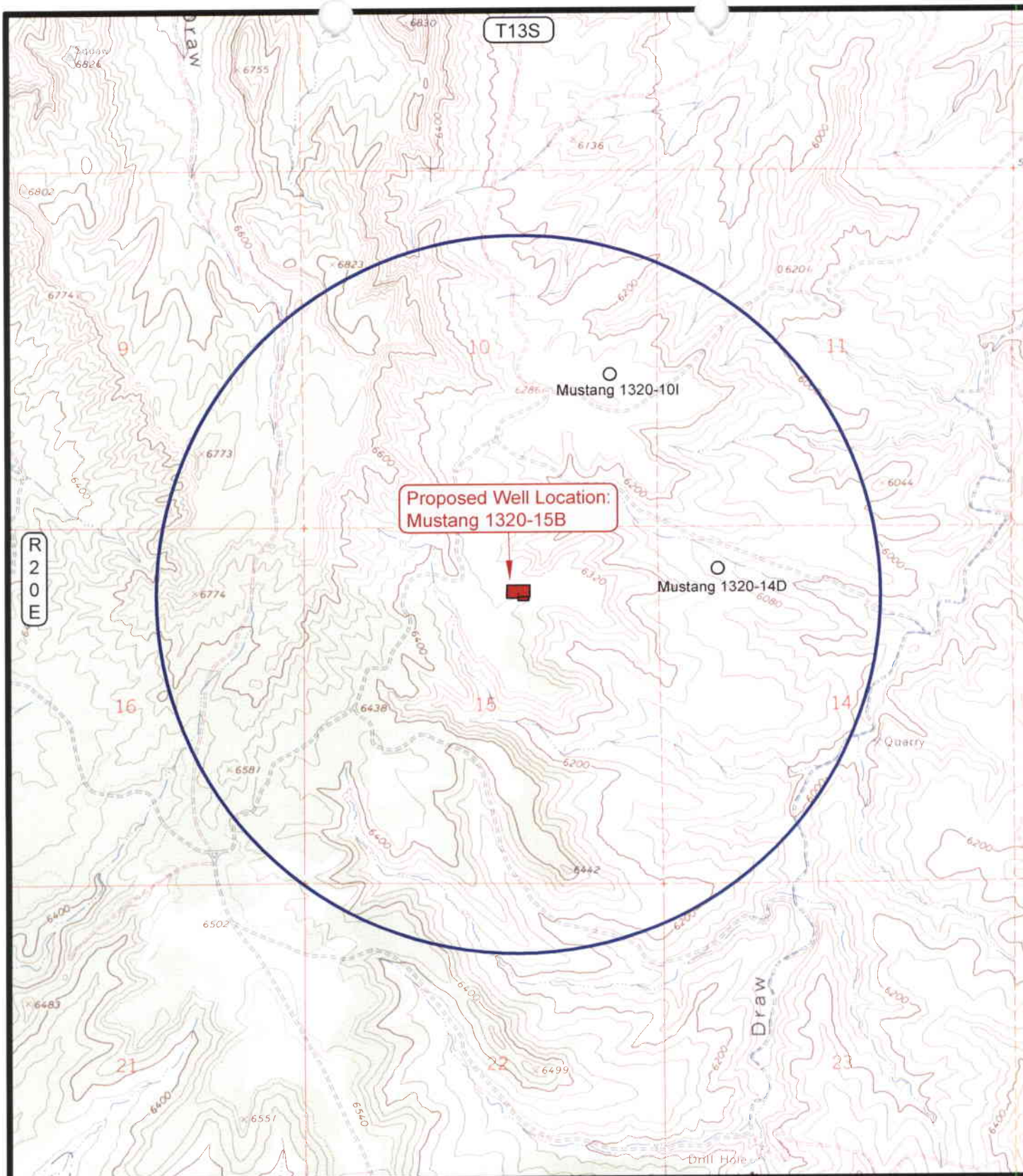
Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET

8

OF 10



LEGEND

- | | |
|--------------------|--------------------------------|
| ⊗ = DISPOSAL WELL | ⊗ = WATER WELL |
| ● = PRODUCING WELL | ● = ABANDONED WELL |
| ● = SHUT IN WELL | ● = TEMPORARILY ABANDONED WELL |
| ○ = PROPOSED WELL | |

TOPOGRAPHIC MAP "C"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 9-15-05

DATE DRAWN: 9-16-05

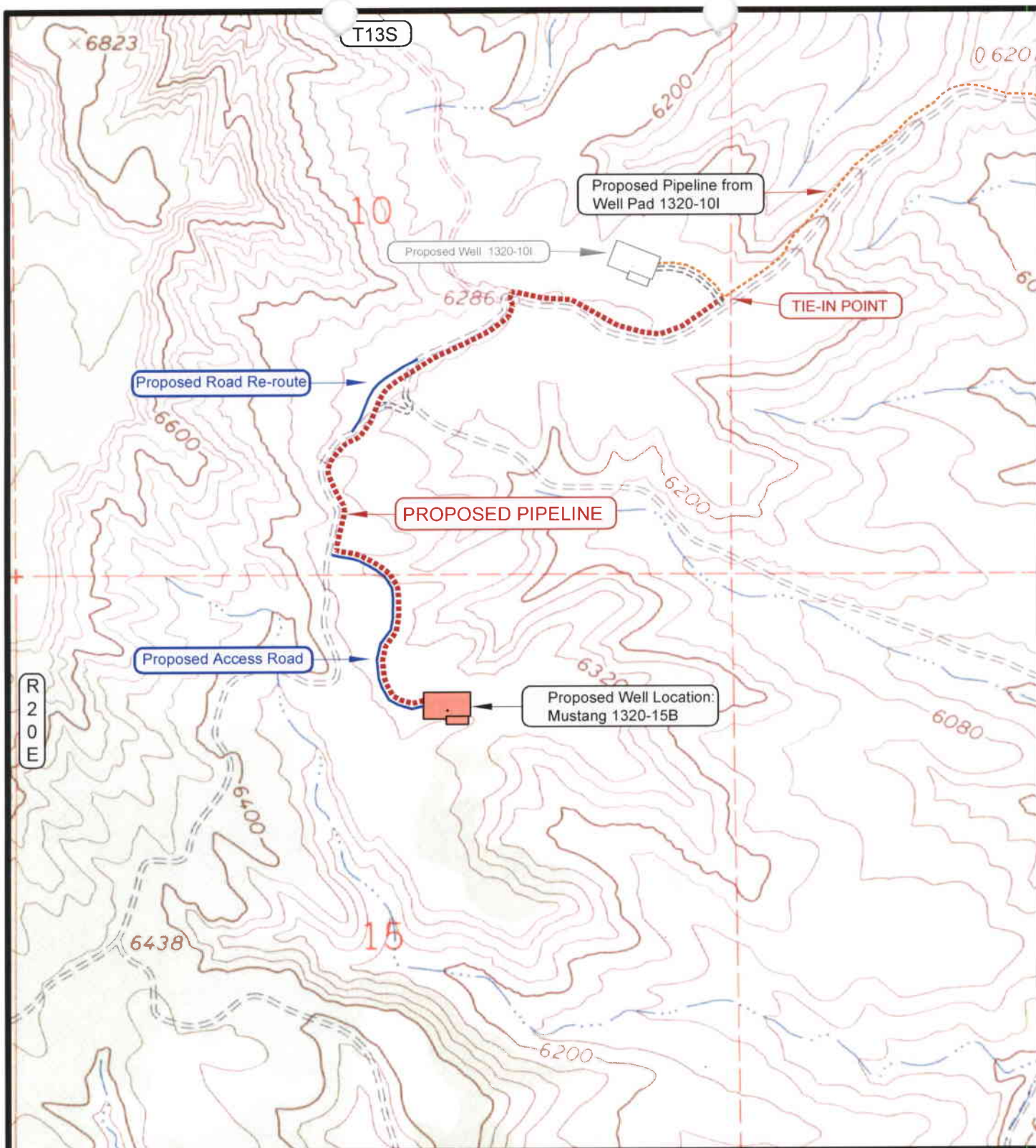
REVISED:

SLATE RIVER RESOURCES, LLC

Mustang 1320-15B
SECTION 15, T13S, R20E, S.L.B.&M.
1012' FNL & 2065' FEL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
9
OF 10



APPROXIMATE PIPELINE LENGTH = 6,080'

LEGEND

- = EXISTING PIPELINE
- = PROPOSED PIPELINE
- = PROPOSED ACCESS ROAD

TOPOGRAPHIC MAP "D"

SCALE: 1"=1000'

DRAWN BY: M.W.W.

DATE SURVEYED: 9-15-05

DATE DRAWN: 9-16-05

REVISED: 9-25-05

SLATE RIVER RESOURCES, LLC

Mustang 1320-15B
SECTION 15, T13S, R20E, S.L.B.&M.
1012' FNL & 2065' FEL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
10
 OF 10



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 6, 2006

Slate River Resources, LLC
418 East Main
Vernal, UT 84078

Re: Mustang 1320-15B Well, 1012' FNL, 2065' FEL, NW NE, Sec. 15,
T. 13 South, R. 20 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37297.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor

Operator: Slate River Resources, LLC
Well Name & Number Mustang 1320-15B
API Number: 43-047-37297
Lease: Fee

Location: NW NE **Sec.** 15 **T.** 13 South **R.** 20 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

6. Surface casing shall be cemented to the surface.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Slate River Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 418 E. Main Ste 18 CITY Vernal STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1012' FNL 2065' FEL		8. WELL NAME and NUMBER: Mustang 1320-15B
PHONE NUMBER: (435) 781-1870		9. API NUMBER: 43-047-37297
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 15 13S 20E		10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 4/6/2007	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Slate River Resources, LLC requests a one year extension from 4/6/2007 to 4/6/2008 on the Application for Permit to Drill for the above referenced location due to expire 4/6/2007.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-20-07
By: [Signature]

COPY SENT TO OPERATOR
Date: 3-21-07
Initials: [Signature]

NAME (PLEASE PRINT) Lucy Nemec	TITLE Sr. Operations Specialist
SIGNATURE [Signature]	DATE 3/15/2007

(This space for State use only)

RECEIVED
MAR 19 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-37297
Well Name:
Location:
Company Permit Issued to:
Date Original Permit Issued:

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

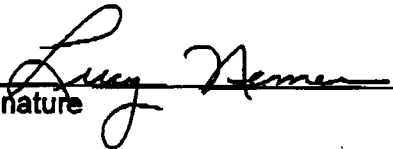
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

3/20/2007

Date

Title: SR. Operations Specialist

Representing: Slate River Resources, LLC

RECEIVED

MAR 20 2007

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

April 3, 2008

Lucy Nemec
Slate River Resources, LLC
418 East Main, Ste. 18
Vernal, UT 84078

43-047-37297

Re: APDs Rescinded at the request of Slate River Resources, LLC


Dear Ms. Nemec:

Enclosed find the list of APDs that you requested to be rescinded to Slate River Resources, LLC. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective April 3, 2008.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Brad Hill, Technical Services Manager



Mustang 1220-22P

Mustang 1220-24L

Mustang 1220-26B

Mustang 1220-26P

Mustang 1220-27K

Mustang 1220-35F

Mustang 1320-01B

Mustang 1320-03B

Mustang 1320-13N

Mustang 1320-15B - 43-047-37297

Mustang 1321-06N

Uintah Oil Assoc 1221-31I

Uintah Oil Assoc 1321-05L

Uintah Oil Assoc 1321-05F